104TH CONGRESS
1st Session
HOUSE OF REPRESENTATIVES
REPORT
104–292

PROVIDING FOR THE CONSIDERATION OF HOUSE CONCURRENT RESOLUTION 109, SENSE OF CONGRESS ON SOCIAL SECURITY EARNINGS TEST REFORM, AND H.R. 2491, THE SEVEN-YEAR BALANCED BUDGET RECONCILIATION ACT OF 1995

OCTOBER 26 (legislative day, OCTOBER 25), 1995.—Referred to the House Calendar and ordered to be printed

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Mr. SOLOMON, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 245]

The Committee on Rules, having had under consideration House Resolution 245, by a record vote of 9 to 4, report the same to the House with the recommendation that the resolution be adopted.

BRIEF SUMMARY OF PROVISIONS OF RESOLUTION

The resolution first provides for consideration in the House of a concurrent resolution relating to the Social Security earnings test, subject to 20 minutes of debate divided between the Majority and Minority Leaders or their designees. The rule next provides for the further consideration of H.R. 2491, the ''Seven Year Balanced Budget Reconciliation Act of 1995,'' providing for an additional three hours of general debate, divided equally between the chairman and ranking minority member of the Committee on the Budget. The rule provides that an amendment in the nature of a substitute consisting of the text of H.R. 2517 as modified by the amendments printed in the Rules Committee's report on the rule shall be considered as adopted in the House and the Committee of the Whole and the bill as amended shall be considered as an original bill for the purpose of further amendment. All points of order are waived against provisions of the bill as amended.

No amendment is in order to the bill as amended except an amendment in the nature of a substitute consisting of the text of H.R. 2530, which may only be offered by the Minority Leader or his designee. The amendment in the nature of a substitute shall be considered as read, shall not be subject to amendment, and shall be debatable for one hour equally divided and controlled by the proponent and an opponent. All points of order against the amend-

ment in the nature of a substitute are waived. After a motion to rise has been rejected on any day, another such motion may only be offered by the Majority Leader or Budget Committee chairman. The rule provides one motion to recommit which, if containing instructions, may only be offered by the minority leader or a designee. Finally, the rule provides that the yeas and nays are ordered on the passage of the bill and that the provisions of clause 5(c) of Rule XXI (requiring a three-fifths vote on any bill, amendment or conference report containing a Federal income tax rate increase) shall not apply to the votes on the bill, amendments thereto, or conference reports thereon.

EXPLANATION AND DISCUSSION OF CLAUSE 5(C), RULE XXI WAIVER

As indicated in the preceding paragraph, the Committee has provided in this rule that the provisions of clause 5(c) of House Rule XXI, which require a three-fifths vote on any bill, joint resolution, amendment or conference report, ''carrying a Federal income tax rate increase,'' shall not apply to the votes on passage of H.R. 2491, or to the votes any amendment thereto or conference report thereon.

The suspension of clause 5(c) of rule XXI is not being done because there are any Federal income tax rate increases contained in the reconciliation substitute being made in order as base text by this rule. As the Committee on Ways and Means has pointed out in its portion of the report on the reconciliation bill—

> The Committee has carefully reviewed the provisions of Titles XIII and XIV of the revenue reconciliation provisions approved by the Committee to determine whether any of these provisions constitute a Federal income tax increase within the meaning of the House Rules. It is the opinion of the Committee that there is no provision of Titles XIII and XIV of the revenue reconciliation provisions that constitutes a Federal income tax rate increase within the meaning of House Rule XXI, 5(c) or (d).

Nevertheless, the Committee on Rules has suspended the application of clause 5(c) as a precautionary measure to avoid unnecessary points of order that might otherwise arise over confusion or misinterpretations of what is meant by an income tax rate increase.

Such a point of order was raised and overruled on the final passage vote of H.R. 1215, the omnibus tax bill, on April 15, 1995. The ranking minority member of the Rules Committee subsequently wrote to the chairman of this Committee requesting a clarification of the rule. An exchange of correspondence with the Parliamentarian and the Counsel of the Joint Tax Committee was subsequently released by the chairman of this Committee on June 13, 1995, regarding the ruling and the provisions of the bill which gave rise to the point of order.

The Committee would simply conclude this discussion by citing from the section-by-section analysis of H. Res. 6, adopting House Rules for the 104th Congress, placed in the Congressional Record at the time the rules were adopted on January 4, 1995. With respect to clauses 5(c) and (d) which require a three-fifths vote on

any income tax rate increase and prohibit consideration of any retroactive income tax increase, respectively:

> For purposes of these rules, the term "Federal income tax rate increase" is, for example, an increase in the individual income tax rates established in section 1, and the corporate income tax rates established in section 11, respectively, of the Internal Revenue Code of 1986. (Congressional Record, Jan. 4, 1995, p. H–34)

The rates established by those sections are the commonly understood "marginal" tax rates or income "bracket" tax rates applicable to various minimum and maximum income dollar amounts for individuals and corporations. It is the intent of this committee that the term "Federal income tax rate increase" should be narrowly construed and confined to the rates specified in those two sections. As indicated in the Ways and Means Committee's report, those rates have not been increased by any provisions contained in H.R. 2491 as made in order as base text by this resolution.

SUMMARY OF AMENDMENTS MODIFYING THE TEXT OF H.R. 2517 TO FORM THE NEW BASE TEXT FOR AMENDMENT PURPOSES

Upton (MI): Amend Food, Drug and Cosmetic Act to authorize the export of new drugs if approved in recipient country. (p. 275, after line 11, insert new Subtitle F—FDA Export Reform and Enhancement Act")

Horn (CA)/Davis (VA) (modified): Add new tools for Federal agencies to collect debts owed to the United States to enhance debt collection and improve financial management (Inserts new Subtitle B to title V, "Debt Collection Improvement Act of 1995," at page 333, line 15)

Barr (GA): Strike section 7002, "Civil Monetary Penalty Surcharge and Telecommunications Carrier Compliance Payments." (p. 416, line 3 through p. 419, line 6)

Davis (VA): Strike section 10404, "Collection of Parking Fees," requiring each Executive agency to collect parking fees at all Federal parking facilities. (p. 700, line 23 through page 701, line 19)

Davis (VA) (modified): Amend sec. 17201(c), National Technical Information Service, to provide that if an appropriate arrangement for the privatization of the functions of the NTI Service has not been made before the end of the 18-month period, the Service shall be transferred to the National Institute for Science and Technology. (p. 1588, lines 3 through 7)

Bliley (VA): Change the Medicaid allocation and lower the statutory caps for discretionary spending accordingly.

COMMITTEE VOTES

Pursuant to clause 2(l)(2)(B) of House rule XI the results of each rollcall vote on an amendment or motion to report, together with the names of those voting for and against, are printed below. A summary of each motion appears at the end of the votes.

Rules Committee Rollcall No. 206

Date: October 25, 1995.
Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.
Motion By: Mr. Moakley.
Summary of Motion: Motion No. 1 (see summary following votes).
Results: Rejected, 4 to 9.
Vote by Members: Quillen—Nay; Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

Rules Committee Rollcall No. 207

Date: October 25, 1995.
Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.
Motion By: Mr. Moakley.
Summary of Motion: Motion No. 2.
Results: Rejected, 4 to 9.
Vote by Members: Quillen—Nay; Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

Rules Committee Rollcall No. 208

Date: October 25, 1995.
Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budgetg Reconciliation Act of 1995.
Motion By: Mr. Frost.
Summary of Motion: Motion No. 3.
Results: Rejected, 4 to 9.
Vote by Members: Quillen—Nay; Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

Rules Committee Rollcall No. 209

Date: October 25, 1995.
Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budgetg Reconciliation Act of 1995.
Motion By: Mr. Frost.
Summary of Motion: Motions No. 4, No. 5, No. 6.
Results: Rejected, 4 to 9.
Vote by Members: Quillen—Nay; Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

Rules Committee Rollcall No. 210

Date: October 25, 1995.

Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491; The Seven Year Balanced Budget Reconciliation Act of 1995.
Motion By: Mr. Hall.
Summary of Motion: Motion No. 7.
Results: Rejected, 4 to 9.
Vote by Members: Quillen—Nay; Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

Rules Committee Rollcall No. 211

Date: October 25, 1995.
Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491; The Seven Year Balanced Budget Reconciliation Act of 1995.
Motion By: Mr. Moakley.
Summary of Motion: Motion No. 8.
Results: Rejected, 5 to 8.
Vote by Members: Quillen—Nay; Dreier—Nay; Goss—Yea; Linder—Nay; Pryce—Nay; Diaz-Balart—Yea; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Nay; Hall—Yea; Solomon—Nay.

Rules Committee Rollcall No. 212

Date: October 25, 1995.
Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.
Motion By: Mr. Beilenson.
Summary of Motion: Motion No. 9.
Results: Rejected, 4 to 9.
Vote by Members: Quillen—Nay; Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

Rules Committee Rollcall No. 213

Date: October 25, 1995.
Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.
Motion By: Mr. Beilenson.
Summary of Motion: Motion No. 10.
Results: Rejected, 4 to 9.
Vote by Members: Quillen—Nay; Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

Rules Committee Rollcall No. 214

Date: October 25, 1995.

Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.
Motion By: Mr. Beilenson.
Summary of Motion: Motion No. 11.
Results: Rejected, 4 to 9.
Vote by Members: Quillen—Nay; Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

Rules Committee Rollcall No. 215

Date: October 25, 1995.
Measure: H. Con. Res 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.
Motion By: Mr. Beilenson.
Summary of Motion: Motions No. 12, No. 13, and No. 35.
Results: Rejected, 5 to 8.
Vote by Members Quillen—Nay; Dreier—Nay; Goss—Nay; Linder—Yea; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

Rules Committee Rollcall No. 216

Date: October 25, 1995.
Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.
Motion By: Mr. Beilenson.
Summary of Motion: Motions No. 14, No. 15, and No. 16.
Results: Rejected, 4 to 9.
Vote by Members: Quillen—Nay; Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

Rules Committee Rollcall No. 217

Date: October 25, 1995.
Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.
Motion By: Mr. Moakley.
Summary of Motion: Motion No. 17.
Results: Rejected, 4 to 9.
Vote by Members: Quillen—Nay; Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

Rules Committee Rollcall No. 218

Date: October 25, 1995.

Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.
Motion By: Mr. Frost.
Summary of Motion: Motion No. 18.
Results: Rejected, 4 to 9.
Vote by Members: Quillen—Nay; Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

Rules Committee Rollcall No. 219

Date: October 25, 1995.
Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.
Motion By: Mr. Hall.
Summary of Motion: Motion No. 19.
Results: Rejected, 4 to 9.
Vote by Members: Quillen—Nay; Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

Rules Committee Rollcall No. 220

Date: October 25, 1995.
Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.
Motion By: Mr. Hall.
Summary of Motion: Motion No. 20.
Results: Rejected, 4 to 9.
Vote by Members: Quillen—Nay; Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

Rules Committee Rollcall No. 221

Date: October 25, 1995.
Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.
Motion By: Mr. Hall.
Summary of Motion: Motion No. 21.
Results: Rejected, 4 to 9.
Vote by Members: Quillen—Nay; Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

Rules Committee Rollcall No. 222

Date: October 25, 1995.

Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.
Motion By: Mr. Moakley.
Summary of Motion: Motion No. 22.
Results: Rejected, 4 to 9.
Vote by Members: Quillen—Nay; Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

Rules Committee Rollcall No. 223

Date: October 25, 1995.
Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.
Motion By: Mr. Frost.
Summary of Motion: Motions No. 24, No. 25, No. 26, No. 28, and No. 29.
Results: Rejected, 4 to 9.
Vote by Members: Quillen—Nay; Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

Rules Committee Rollcall No. 224

Date: October 25, 1995.
Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.
Motion By: Mr. Frost.
Summary of Motion: Motion No. 27.
Results: Rejected, 4 to 9.
Vote by Members: Quillen—Nay; Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay;

Rules Committee Rollcall No. 225

Date: October 25, 1995.
Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.
Motion By: Mr. Beilenson.
Summary of Motion: Motion No. 31.
Results: Rejected 4 to 9.
Vote by Members: Quillen—Nay; Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

Rules Committee Rollcall No. 226

Date: October 25, 1995.

Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.
Motion By: Mr. Beilenson.
Summary of Motion: Motion No. 32.
Results: Rejected, 5 to 8.
Vote by Members: Quillen—Nay; Drier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Yea; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

Rules Committee Rollcall No. 227

Date: October 25, 1995.
Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.
Motion By: Mr. Beilenson.
Summary of Motion: Motion No. 34.
Results: Rejected, 4 to 9.
Vote by Members: Quillen—Nay; Drier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

Rules Committee Rollcall No. 228

Date: October 25, 1995.
Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.
Motion By: Mr. Hall.
Summary of Motion: Motions No. 37 & No. 38.
Results: Rejected 4 to 9.
Vote by Members: Quillen—Nay; Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Nay; Solomon—Nay.

Rules Committee Rollcall No. 229

Date: October 25, 1995.
Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.
Motion By: Mr. Frost.
Summary of Motion: Motion No. 39.
Results: Rejected 4 to 8.
Vote by Members: Quillen—Nay; Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Nay; Solomon—Nay.

Rules Committee Rollcall No. 230

Date: October 25, 1995.

Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.
Motion By: Mr. Moakley.
Summary of Motion: Motion No. 40.
Result: Rejected, 4 to 9.
Vote by Members: Quillen—Nay; Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

Rules Committee Rollcall No. 231

Date: October 25, 1995.
Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.
Motion By: Mr. Moakley.
Summary of Motion: Motions No. 41 and No. 42.
Result: Rejected, 4 to 9.
Vote by Members: Quillen—Nay; Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

Rules Committee Rollcall No. 232

Date: October 25, 1995.
Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.
Motion By: Mr. Moakley.
Summary of Motion: Motion No. 43.
Results: Rejected, 4 to 9.
Vote by Members: Quillen—Nay; Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

Rules Committee Rollcall No. 233

Date: October 25, 1995.
Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.
Motion By: Mr. Moakley.
Summary of Motion: Motion No. 44.
Results: Rejected, 4 to 9.
Vote by Members: Quillen—Nay; Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

Rules Committee Rollcall No. 234

Date: October 25, 1995.

Measure: H. Con. Res. 109, Sense of Congress on Social Security Earnings Test Reform, and H.R. 2491, The Seven Year Balanced Budget Reconciliation Act of 1995.

Motion By: Mr. Quillen.

Summary of Motion: To report the rule.

Results: Adopted, 9 to 4.

Vote by Members: Quillen—Yea; Dreier—Yea; Goss—Yea; Linder—Yea; Pryce—Yea; Diaz-Balart—Yea; McInnis—Yea; Waldholtz—Yea; Moakley—Nay; Beilenson—Nay; Frost—Nay; Hall—Nay; Solomon—Yea.

AMENDMENTS OFFERED ON THE RECONCILIATION BILL

1. Moakley: Amendment to strike any Medicare provisions and any tax provisions from the bill.

2. Moakley: Amendment to restore the current guarantee for payment of Medicare premiums for elderly and disabled beneficiaries with incomes below 100% of poverty.

3. Frost: Amendment to restore current law prohibiting States from imposing liens on the homes or family farms of nursing home residents.

4. Frost: Amendment restoring current one-year transitional health care coverage for low income workers who have moved off welfare rolls.

5. Frost: Amendment to restore current law requiring payment of ''reasonable and adequate'' rates to rural hospitals for inpatient services to Medicaid patients, and prohibiting States from offering fewer benefits or stricter eligibility requirements on residents of rural areas.

6. Hall: Amendment to provide coverage of medically necessary services provided by children's hospitals to children with special needs, continue coverage for poor pregnant women and children under the age of one with incomes up to 133% of the poverty line, and children between the ages of 1 and 19 at 100% of the poverty line, and assure screening, diagnosis and treatment for breast and cervical cancer for poor women.

7. Hall: Amendment to restore current federal minimum standards to assure that residents in nursing homes receiving Federal funds are not subject to abuse or neglect and receive quality care, and to insure that coverage is continued for patients who have Alzheimer disease.

8. Moakley: Senate Medicaid Formula-Amemdment modifying the Medicaid formula to provide States more fairness by permitting a choice between 1994 and 1995 as a base line rather than forcing States into the 1994 base line under the bill's formula.

9. Beilenson: Amendment to strike any provision in the bill cutting the Earned Income Tax Credit (EITC). The EITC is an effective program which help low income working families stay off welfare.

10. Beilenson: Amendment to strike the ANWR leasing provisions in the bill.

11. Beilenson: Miller (CA): Amendment to void Arctic National Wildlife Refuge leasing authority if the state of Alaska sues to enforce 90/10 revenue split.

12. Beilenson-Miller (CA): Amendment to place an 8% royalty on hardrock minerals mined from federal lands and increase the mining claim holding fee. This would save taxpayers $540 million over the next 7 years.

13. Beilenson: Amendment to strike all mining provisions from the bill. This amendment would reflect the will of the House which has voted against these provisions 3 times this Congress.

14. Beilenson-Miller (CA): Amendment to eliminate national forest timber sales that cost the government more than revenue generated. This provision would have saved $1 billion over the last 3 years had it been in effect.

15. Beilenson-Miller (CA): Amendment to apply the grazing fee level contained in the bill to small ranchers. Small ranchers are those permits who graze 500 or less Animal Unit Month's (AMU) per grazing year. All other permittees would pay market rate fees.

16. Beilenson-Miller (CA): Amendment to require corporate farms which grow surplus crops to pay the full cost of reclamation project irrigation water. This amendment would save taxpayers $330 million over the next 5 years.

17. Moakley: Amendment to delete provisions in the bill which terminate federal milk marketing orders.

18. Frost: Amendment to substitute the Agriculture title with the Emerson/Combest substitute. This amendment leaves in place current farm commodity programs and achieves most of its savings by increasing the percentage of unpaid acreage from 15% to 30%. It also eliminates the government price support program for butter and powdered milk but retains the support price for cheese. The amendment also extends the national system of milk marketing orders.

19. Hall: Amendment to strike provisions which incorporate Division A of the American Overseas Interest Act consolidating three agencies—AID, USIA and ACDA—and folding them into the State Department.

20. Hall: Strikes the provision in the substitute that reduces the child tax credit to $365 and replaces it with an amendment to insure that all middle income families receive the full Contract With America $500 per child tax credit. This is done by capping the income level at which families are eligible to receive that benefit.

21. Hall: Amendment to strike provision in the bill which eliminates the increased amount of wages social security recipients can earn without decreasing their social security checks. This provision was included in the Republican Contract with America.

22. Moakley: Amendment to strike the provision that makes the repeal of the corporate alternative minimum tax (AMT) a refundable tax credit.

24. Frost: Amendment to preserve EDA as a federal program. This amendment strikes section 17201 of the Committee substitute and inserts a new section that rewrites the Public Works and Economic Development Act of 1965 by eliminating the EDA and creating an Office of Economic Development which would continue funding for all activities that are currently eligible for EDA assistance.

25. Frost: Amendment to preserve the Manufacturers Extension program (MEP) as a federal program. The amendment would strike the provision in the bill eliminating this program which American

manufacturers remain competitive in the global economy. This provision was approved by the Science Committee when it reported out the Commerce Department Dismantlement Act.

26. Frost: Amendment to restore the Committee for the Implementation of Textile Agreements (CITA) as a separate entity to give textile and apparel industries time to adjust to the new competitive conditions imposed by the new World Trade Organization Agreement.

27. Frost: Amendment to strike section 17207(g) of the substitute. This section will help protect Americans from severe weather by eliminating the draconian funding reductions in the National Weather Service currently in the bill.

28. Frost: Amendment to restore 25% cut in funding for critical trade and export programs that create and protect American jobs.

29. Frost: Amendment to strike the 75% ceiling on FY 1995 expenditures for Department of Commerce transfers.

31. Beilenson: Amendment to strike the park concessions provisions in the bill. This would eliminate unfair provisions in the bill which give an advantage to current concessionaires and provide little competition for concession contract renewals.

32. Beilenson: Amendment to delete the ski area sales provisions from the bill. This will insure that public ski areas will not become private, members only, ski areas.

34. Beilenson: Amendment to strike the Ward Valley California land transfer provision in the bill. Many safety concerns the construction of a low level radioactive waste site at Ward Valley have not been resolved.

35. Beilenson: Amendment to strike the Federal Oil and Gas Royalties provisions in the bill. CBO has estimated that these provisions in the bill will cost the taxpayers $60 million over 7 years.

37. Hall: Amendment to strike the 6 month grace period interest subsidy change on student loans from the substitute. The language in the substitute will increase students' college costs by nearly $4 billion nationwide and will likely result in loan defaults.

38. Hall: Amendment to strike any changes in the substitute which affect the PLUS Loan program. This program allows parents to take out government backed loans to help defray the high costs of a college education for their children. The increase contained in the substitute will increase college costs for struggling families nationwide by ½ billion dollars.

39. Frost: Amendment to strike any provision in the bill permitting corporations to use pension assets for any purpose. This amendment will delete the provision in the substitute which allows corporations to loot pensions funds for such things as corporate take-overs.

40. Moakley: Amendment to strike the repeal of the Service Contract Act contained in the substitute. This law protects workers in low wage occupations, most of whom are minorities and female. The repeal in the substitute will destroy this safety net for these employees who on average earn less than poverty wages.

41. Moakley: Amendment to strike any provision previously defeated by the House or in any committee which is included in the bill. These provisions include the farm title which was defeated by

a vote of 22–27 and the mining claim patent provisions which have been defeated by the House 3 times this year.

42. Moakley: Amendment to allow for a separate vote on any provision included in the substitute after it was reported by the Budget Committee. These provisions include welfare provisions, Freedom to Farm Act, Commerce Department abolishment changes, and changes made to the Civil Service benefits, the Contract With America Tax Cut and Medicare.

43. Moakley: Amendment to increase the time for general debate on the substitute from 1 hour to 2.

44. Moakley: Amendment to strike the waiver of clause 5C of rule XXI which requires that any bill which contains a federal income tax rate increase be passed by not less than 3/5 of those members voting.

The amendments modifying the text of H.R. 2517 to form the amendment in the nature of a substitute adopted by the rule as original text for amendment purposes:

Page 275, after line 11, insert the following:

Subtitle F—FDA Export Reform and Enhancement Act

SECTION 3081. SHORT TITLE.

This Act may be cited as the ''FDA Export Reform and Enhancement Act of 1995''.

SEC. 3082. EXPORT OF NEW DRUGS.

Section 801(e) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381(e) is amended—

(1) in paragraph (1), by inserting after ''under this Act'' the following: ''or in violation of section 505 or section 351 of the Public Health Service Act'',

(2) in paragraph (1), by striking the last sentence, and

(3) by amending paragraph (2) to read as follows:

''(2) Paragraph (1) does not apply to the export of—

''(A) any device—

''(i) which does not comply with an applicable requirement under section 514 or 515,

''(ii) which under section 520(g) is exempt from either such section, or

''(iii) which is a banned device under section 516, or

''(B) any drug (including a biological product) which does not comply with an applicable requirement under section 505 or 512 or section 351 of the Public Health Service Act,

unless the device or drug is in compliance with the requirements of paragraph (1) and if the device or drug is to be exported to a country which is not a member of the World Trade Organization, the person exporting it has notified the Secretary of the export at least 30 days before the export and has included in such notice the name of the product, the country to which the product is being exported, and a brief description of the medical need for such device or drug in such country. In the case of a device or drug for which an export notice is required under this paragraph, the Secretary may prohibit the export of such device or drug if the Secretary determines that the possibility of the reimportation of the device or

drug into the United States presents an imminent hazard to the public health and safety of the United States and the only means of limiting the hazard is to prohibit the export of the device or drug.".

SEC. 3083. EXPORT OF CERTAIN UNAPPROVED PRODUCTS.

Section 802 (21 U.S.C. 382) is repealed.

SEC. 3084. PARTIALLY PROCESSED BIOLOGICAL PRODUCTS.

Subsection (h) of section 351 of the Public Health Service Act (42 U.S.C. 262) is amended to read as follows:

"(h) A partially-processed biological product which—

"(1) is not in a form applicable to the prevention, treatment, or cure of diseases or injuries of man,

"(2) is not intended for sale in the United States, and

"(3) is intended for further manufacture into final dosage form outside the United States,

shall be subject to no restriction on its export under this Act or the Federal, Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.)."

Page 308, after line 5, insert the following:

Subtitle A—Federal Employee and Congressional Benefits; Availability of Surplus Property for Homeless Assistance

Page 333, after line 15, insert the following new subtitle:

Subtitle B—Debt Collection Improvement Act of 1995

SEC 5201. SHORT TITLE.

This subtitle may be cited as the "Debt Collection Improvement Act of 1995".

SEC. 5202. TABLE OF CONTENTS.

The table of contents for this subtitle is as follows:

Sec. 5201. Short title.
Sec. 5202. Table of contents.
Sec. 5203. Effective date.
Sec. 5204. Purposes.

PART I—GENERAL DEBT COLLECTION INITIATIVES

SUBPART A—GENERAL OFFSET AUTHORITY

Sec. 5211. Expansion of administrative offset authority.
Sec. 5212. Enhancement of administrative offset authority.
Sec. 5213. Exemption from computer matching requirements under the Privacy Act of 1974.
Sec. 5214. Use of administrative offset authority for debts to States.
Sec. 5215. Technical and conforming amendments.

SUBPART B—SALARY OFFSET AUTHORITY

Sec. 5221. Enhancement of salary offset authority.

SUBPART C—TAXPAYER IDENTIFYING NUMBERS

Sec. 5231. Access to debtor information.
Sec. 5232. Barring delinquent Federal debtors from obtaining Federal loans or loan guarantees.

SUBPART D—EXPANSION AND ENHANCEMENT OF COLLECTION AUTHORITIES

Sec. 5241. Disclosure to consumer reporting agencies and commercial reporting agencies.
Sec. 5242. Contracts for collection services.
Sec. 5243. Cross-servicing partnerships and centralization of debt collection activities in the Department of the Treasury.
Sec. 5244. Compromise of claims.
Sec. 5245. Wage garnishment requirement.
Sec. 5246. Debt sales by agencies.
Sec. 5247. Adjustments of administrative debt.
Sec. 5248. Dissemination of information regarding identity of delinquent debtors.

SUBPART E—FEDERAL CIVIL MONETARY PENALTIES

Sec. 5251. Adjusting Federal civil monetary penalties for inflation.

SUBPART F—GAIN SHARING

Sec. 5261. Debt collection improvement account.

SUBPART G—TAX REFUND OFFSET AUTHORITY

Sec. 5271. Expanding tax refund offset authority.
Sec. 5272. Expanding authority to collect past-due support.

SUBPART H—DISBURSEMENTS

Sec. 5281. Electronic funds transfer.
Sec. 5282. Requirement to include taxpayer identifying number with payment voucher.

SUBPART I—MISCELLANEOUS

Sec. 5291. Miscellaneous amendments to definitions.
Sec. 5292. Monitoring and reporting.
Sec. 5293. Review of standards and policies for compromise or write-down of delinquent debts.

PART II—JUSTICE DEBT MANAGEMENT

Sec. 5301. Expanded use of private attorneys.
Sec. 5302. Nonjudicial foreclosure of mortgages.

SEC. 5203. EFFECTIVE DATE.

Except as otherwise provided in this subtitle, the provisions of this subtitle and the amendments made by this subtitle shall become effective October 1, 1995.

SEC. 5204. PURPOSES.

The purposes of this subtitle are the following:

(1) To maximize collections of delinquent debts owed to the Government by ensuring quick action to enforce recovery of debts and the use of all appropriate collection tools.

(2) To minimize the costs of debt collection by consolidating related functions and activities and utilizing interagency teams.

(3) To reduce losses arising from debt management activities by requiring proper screening of potential borrowers, aggressive monitoring of all accounts, and sharing of information within and among Federal agencies.

(4) To ensure that the public is fully informed of the Federal Government's debt collection policies and that debtors are cog-

nizant of their financial obligations to repay amounts owed to the Federal Government.

(5) To ensure that debtors have all appropriate due process rights, including the ability to verify, challenge, and compromise claims, and access to administrative appeals procedures which are both reasonable and protect the interests of the United States.

(6) To encourage agencies, when appropriate, to sell delinquent debt, particularly debts with underlying collateral.

(7) To rely on the experience and expertise of private sector professionals to provide debt collection services to Federal agencies.

PART I—GENERAL DEBT COLLECTION INITIATIVES

Subpart A—General Offset Authority

SEC. 5211. EXPANSION OF ADMINISTRATIVE OFFSET AUTHORITY.

Chapter 37 of title 31, United States Code, is amended—

(1) in each of sections 3711, 3716, 3717, and 3718, by striking ''the head of an executive or legislative agency'' each place it appears and inserting ''the head of an executive, judicial, or legislative agency''; and

(2) by amending section 3701(a)(4) to read as follows:

''(4) 'executive, judicial, or legislative agency' means a department, agency, court, court administrative office, or instrumentality in the executive, judicial, or legislative branch of government, including government corporations.''.

SEC. 5212. ENHANCEMENT OF ADMINISTRATIVE OFFSET AUTHORITY.

(a) PERSONS SUBJECT TO ADMINISTRATIVE OFFSET.—Section 3701(c) of title 31, United States Code, is amended to read as follows:

''(c) In sections 3716 and 3717 of this title, the term 'person' does not include an agency of the United States Government.''.

(b) REQUIREMENTS AND PROCEDURES.—Section 3716 of title 31, United States Code, is amended—

(1) by amending subsection (b) to read as follows:

''(b) Before collecting a claim by administrative offset, the head of an executive, judicial, or legislative agency must either—

''(1) adopt, without change, regulations on collecting by administrative offset promulgated by the Department of Justice, the General Accounting Office, or the Department of the Treasury; or

''(2) prescribe regulations on collecting by administrative offset consistent with the regulations referred to in paragraph (1).'';

(2) by amending subsection (c)(2) to read as follows:

''(2) when a statute explicitly prohibits using administrative offset or setoff to collect the claim or type of claim involved.'';

(3) by redesignating subsection (c) as subsection (e); and

(4) by inserting after subsection (b) the following new subsections:

"(c)(1)(A) Except as otherwise provided in this subsection, a disbursing official of the Department of the Treasury, the Department of Defense, the United States Postal Service, or any other government corporation, or any disbursing official of the United States designated by the Secretary of the Treasury, shall offset at least annually the amount of a payment which a payment certifying agency has certified to the disbursing official for disbursement, by an amount equal to the amount of a claim which a creditor agency has certified to the Secretary of the Treasury pursuant to this subsection.

"(B) An agency that designates disbursing officials pursuant to section 3321(c) of this title is not required to certify claims arising out of its operations to the Secretary of the Treasury before such agency's disbursing officials offset such claims.

"(C) Payments certified by the Department of Education under a program administered by the Secretary of Education under title IV of the Higher Education Act of 1965 shall not be subject to administrative offset under this subsection.

"(2) Neither the disbursing official nor the payment certifying agency shall be liable—

"(A) for the amount of the administrative offset on the basis that the underlying obligation, represented by the payment before the administrative offset was taken, was not satisfied; or

"(B) for failure to provide timely notice under paragraph (8).

"(3) The Secretary of the Treasury shall exempt from administrative offset under this subsection payments under means-tested programs when requested by the head of the respective agency. The Secretary may exempt other payments from administrative offset under this subsection upon the written request of the head of a payment certifying agency. A written request for exemption of other payments must provide justification for the exemption under standards prescribed by the Secretary. Such standards shall give due consideration to whether administrative offset would tend to interfere substantially with or defeat the purposes of the payment certifying agency's program. The Secretary shall report to the Congress annually on exemptions granted under this section.

"(4) The Secretary of the Treasury may charge a fee sufficient to cover the full cost of implementing this subsection. The fee may be collected either by the retention of a portion of amounts collected pursuant to this subsection, or by billing the agency referring or transferring a claim for those amounts. Fees charged to the agencies shall be based on actual administrative offsets completed. Amounts received by the United States as fees under this subsection shall be deposited into the account of the Department of the Treasury under section 3711(g)(4) of this title, and shall be collected and accounted for in accordance with the provisions of that section.

"(5) The Secretary of the Treasury may disclose to a creditor agency the current address of any payee and any data related to certifying and authorizing payments to a payee in accordance with section 552a of title 5, United States Code, even if the payment has been exempt from administrative offset. If a payment is made electronically, the Secretary may obtain the current address of the payee from the institution receiving the payment. Upon request by

the Secretary, the institution receiving the payment shall report the current address of the payee to the Secretary.

"(6) The Secretary of the Treasury may prescribe such rules, regulations, and procedures as the Secretary of the Treasury considers necessary to carry out this subsection. The Secretary shall consult with the heads of affected agencies in the development of such rules, regulations, and procedures.

"(7) Any Federal agency that is owed by a person a past due, legally enforceable nontax debt that is over 180 days delinquent, including nontax debt administered by a third party acting as an agent for the Federal Government, shall notify the Secretary of the Treasury of all such nontax debts for purposes of administrative offset under this subsection.

"(8)(A) The disbursing official conducting an administrative offset with respect to a payment to a payee shall notify the payee in writing of—

"(i) the occurrence of the administrative offset to satisfy a past due legally enforceable debt, including a description of the type and amount of the payment otherwise payable to the payee against which the offset was executed;

"(ii) the identity of the creditor agency requesting the offset; and

"(iii) a contact point within the creditor agency that will handle concerns regarding the offset.

"(B) If the payment to be offset is a periodic benefit payment, the disbursing official shall take reasonable steps, as determined by the Secretary of the Treasury, to provide the notice to the payee not later than the date on which the payee is otherwise scheduled to receive the payment, or as soon as practical thereafter, but no later than the date of the administrative offset. Notwithstanding the preceding sentence, the failure of the debtor to receive such notice shall not impair the legality of such administrative offset.

"(9) A levy pursuant to the Internal Revenue Code of 1986 shall take precedence over requests for administrative offset pursuant to other laws.

"(d) Nothing in this section is intended to prohibit the use of any other administrative offset authority existing under statute or common law.".

(c) NONTAX DEBT OR CLAIM DEFINED.—Section 3701 of title 31, United States Code, is amended—

(1) in subsection (b) by inserting "and subsection (a)(8) of this section" after "of this chapter"; and

(2) in subsection (a) by adding at the end the following new paragraph:

"(8) 'nontax' means, with respect to any debt or claim, any debt or claim other than a debt or claim under the Internal Revenue Code of 1986.".

SEC. 5213. EXEMPTION FROM COMPUTER MATCHING REQUIREMENTS UNDER THE PRIVACY ACT OF 1974.

Section 3716 of title 31, United States Code, as amended by section 5212(b) of this subtitle, is further amended by adding at the end the following new subsections:

"(f) The Secretary may waive the requirements of sections 552a(o) and (p) of title 5 for administrative offset or claims collec-

tion upon written certification by the head of the executive, judicial, or legislative agency seeking to collect the claim that the requirements of subsection (a) of this section have been met.

"(g) The Data Integrity Board of the Department of the Treasury established under 552a(u) of title 5 shall review and include in reports under paragraph (3)(D) of that section a description of any matching activities conducted under this section. If the Secretary has granted a waiver under subsection (f) of this section, no other Data Integrity Board is required to take any action under section 552a(u) of title 5.".

SEC. 5214. USE OF ADMINISTRATIVE OFFSET AUTHORITY FOR DEBTS TO STATES.

Section 3716 of title 31, United States Code, as amended by sections 5212 and 5213 of this subtitle, is further amended by adding at the end the following new subsection:

"(h)(1) The Secretary may, in the discretion of the Secretary, apply subsection (a) with respect to any past-due, legally-enforceable debt owed to a State if—

"(A) the appropriate State disbursing official requests that an offset be performed; and

"(B) a reciprocal agreement with the State is in effect which contains, at a minimum—

"(i) requirements substantially equivalent to subsection (b) of this section; and

"(ii) any other requirements which the Secretary considers appropriate to facilitate the offset and prevent duplicative efforts.

"(2) This subsection does not apply to—

"(A) the collection of a debt or claim on which the administrative costs associated with the collection of the debt or claim exceed the amount of the debt or claim;

"(B) any collection of any other type, class, or amount of claim, as the Secretary considers necessary to protect the interest of the United States; or

"(C) the disbursement of any class or type of payment exempted by the Secretary of the Treasury at the request of a Federal agency.".

SEC. 5215. TECHNICAL AND CONFORMING AMENDMENTS.

(a) TITLE 31.—Title 31, United States Code, is amended—

(1) in section 3322(a), by inserting "section 3716 and section 3720A of this title and" after "Except as provided in";

(2) in section 3325(a)(3), by inserting "or pursuant to payment intercepts or offsets pursuant to section 3716 or 3720A of this title," after "voucher"; and

(3) in each of sections 3711(e)(2) and 3717(h) by inserting ", the Secretary of the Treasury," after "Attorney General".

(b) INTERNAL REVENUE CODE OF 1986.—Subsection 6103(l)(10)(A) of the Internal Revenue Code of 1986 (26 U.S.C. 6103(l)(10)(A)) is amended—

(1) in subparagraph (A), by inserting "and to officers and employees of the Department of the Treasury in connection with such reduction" after "6402"; and

(2) in subparagraph (B), by inserting ''and officers and employees of the Department of the Treasury'' after ''agency'' the first place it appears.

Subpart B—Salary Offset Authority

SEC. 5221. ENHANCEMENT OF SALARY OFFSET AUTHORITY.

Section 5514 of title 5, United States Code, is amended—

(1) in subsection (a)—

(A) by adding at the end of paragraph (1) the following: ''All Federal agencies to which debts are owed and which have outstanding delinquent debts shall participate in a computer match at least annually of their delinquent debt records with records of Federal employees to identify those employees who are delinquent in repayment of those debts. The preceding sentence shall not apply to any debt under the Internal Revenue Code of 1986. Matched Federal employee records shall include, but shall not be limited to, records of active Civil Service employees government-wide, military active duty personnel, military reservists, United States Postal Service employees, employees of other government corporations, and seasonal and temporary employees. The Secretary of the Treasury shall establish and maintain an interagency consortium to implement centralized salary offset computer matching, and promulgate regulations for this program. Agencies that perform centralized salary offset computer matching services under this subsection are authorized to charge a fee sufficient to cover the full cost for such services.'';

(B) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively;

(C) by inserting after paragraph (2) the following new paragraph:

''(3) Paragraph (2) shall not apply to routine intra-agency adjustments of pay that are attributable to clerical or administrative errors or delays in processing pay documents that have occurred within the four pay periods preceding the adjustment and to any adjustment that amounts to $50 or less, if at the time of such adjustment, or as soon thereafter as practical, the individual is provided written notice of the nature and the amount of the adjustment and a point of contact for contesting such adjustment.''; and

(D) by amending paragraph (5)(B) (as redesignated by subparagraph (B) of this paragraph) to read as follows:

''(B) 'agency' includes executive departments and agencies, the United States Postal Service, the Postal Rate Commission, the Senate, the House of Representatives, and any court, court administrative office, or instrumentality in the judicial or legislative branches of the Government, and government corporations.'';

(2) by adding after subsection (c) the following new subsection:

''(d) A levy pursuant to the Internal Revenue Code of 1986 shall take precedence over deductions under this section.''.

Subpart C—Taxpayer Identifying Numbers

SEC. 5231. ACCESS TO DEBTOR INFORMATION.

Section 4 of the Debt Collection Act of 1982 (Public Law 97–365, 96 Stat. 1749, 26 U.S.C. 6103 note) is amended—

(1) in subsection (b), by striking "For purposes of this section" and inserting "For purposes of subsection (a)"; and

(2) by adding at the end the following new subsections:

"(c) FEDERAL AGENCIES.—

"(1) IN GENERAL.—Each Federal agency shall require each person doing business with that agency to furnish to that agency such person's taxpayer identifying number.

"(2) DOING BUSINESS.—For purposes of this subsection, a person shall be considered to be doing business with a Federal agency if the person is—

"(A) a lender or servicer in a Federal guaranteed or insured loan program administered by the agency;

"(B) an applicant for, or recipient of—

"(i) a Federal guaranteed, insured, or direct loan administered by the agency; or

"(ii) a Federal license, permit, right-of-way, grant, or benefit payment administered by the agency or insurance administered by the agency;

"(C) a contractor of the agency;

"(D) assessed a fine, fee, royalty or penalty by the agency; and

"(E) in a relationship with the agency that may give rise to a receivable due to that agency, such as a partner of a borrower in or a guarantor of a Federal direct or insured loan administered by the agency.

"(3) DISCLOSURE.—Each agency shall disclose to a person required to furnish a taxpayer identifying number under this subsection its intent to use such number for purposes of collecting and reporting on any delinquent amounts arising out of such person's relationship with the Government.

"(4) DEFINITIONS.—For purposes of this subsection—

"(A) the term 'taxpayer identifying number' has the meaning given such term in section 6109 of the Internal Revenue Code of 1986 (26 U.S.C. 6109); and

"(B) the term 'person'—

"(i) subject to clause (ii), means an individual, sole proprietorship, partnership, corporation, or nonprofit organization, or any other form of business association; and

"(ii) does not include debtors under third party claims of the United States, other than debtors owing claims resulting from petroleum pricing violations.

"(d) ACCESS TO DEBTOR INFORMATION.—Notwithstanding section 552a(b) of title 5, United States Code, creditor agencies to which a delinquent claim is owed, and their agents, may match their debtor records with Department of Health and Human Services and Department of Labor records to obtain names (including names of employees), name controls, names of employers, social security account numbers, addresses (including addresses of employers),

and dates of birth. The Department of Health and Human Services and the Department of Labor shall release that information to creditor agencies and may charge reasonable fees sufficient to pay the costs associated with that release.

"(e) ELECTRONIC PAYMENTS.—If a payment is made electronically by any executive, judicial, or legislative agency, the Secretary of the Treasury may obtain from the institution receiving the payment the taxpayer identification number of any joint holder of the account to which the payment is made. Upon request of the Secretary, the institution receiving the payment shall report the taxpayer identification number of the joint holder to the Secretary.".

SEC. 5232. BARRING DELINQUENT FEDERAL DEBTORS FROM OBTAINING FEDERAL LOANS OR LOAN GUARANTEES.

(a) IN GENERAL.—Title 31, United States Code, is amended by inserting after section 3720A the following new section:

"§ 3720B. Barring delinquent Federal debtors from obtaining Federal loans or loan guarantees

"(a) Unless this subsection is waived by the head of a Federal agency, a person may not obtain any Federal financial assistance in the form of a loan (other than a disaster loan) or loan guarantee administered by the agency if the person has an outstanding debt (other than a debt under the Internal Revenue Code of 1986) with any Federal agency which is in a delinquent status, as determined under standards prescribed by the Secretary of the Treasury. Such a person may obtain additional loans or loan guarantees only after such delinquency is resolved in accordance with those standards. The Secretary of the Treasury may exempt, at the request of an agency, any class of claims.

"(b) The head of a Federal agency may delegate the waiver authority under subsection (a) to the Chief Financial Officer of the agency. The waiver authority may be redelegated only to the Deputy Chief Financial Officer of the agency.

"(c) For purposes of this section, the term 'person' means—

"(1) an individual; or

"(2) any sole proprietorship, partnership, corporation, nonprofit organization, or other form of business association.".

(b) CLERICAL AMENDMENT.—The table of sections for subchapter II of chapter 37 of title 31, United States Code, is amended by inserting after the item relating to section 3720A the following new item:

"3720B. Barring delinquent Federal debtors from obtaining Federal loans or loan guarantees.".

Subpart D—Expansion and Enhancement of Collection Authorities

SEC. 5241. DISCLOSURE TO CONSUMER REPORTING AGENCIES AND COMMERCIAL REPORTING AGENCIES.

Section 3711(f) of title 31, United States Code, is amended—

(1) by striking "may" the first place it appears and inserting "shall";

(2) by striking ''an individual'' each place it appears and inserting ''a covered person'';

(3) by striking ''the individual'' each place it appears and inserting ''the covered person''; and

(4) by adding at the end the following new paragraphs:

''(4) The head of each executive agency shall require, as a condition for guaranteeing any loan, financing, or other extension of credit under any law to a covered person, that the lender provide information relating to the extension of credit to consumer reporting agencies or commercial reporting agencies, as appropriate.

''(5) The head of each executive agency may provide to a consumer reporting agency or commercial reporting agency information from a system of records that a covered person is responsible for a claim which is current, if notice required by section 552a(e)(4) of title 5 indicates that information in the system may be disclosed to a consumer reporting agency or commercial reporting agency, respectively.

''(6) In this subsection, the term 'covered person' means an individual, a sole proprietorship, a corporation (including a nonprofit corporation), or any other form of business association.''.

SEC. 5242. CONTRACTS FOR COLLECTION SERVICES.

Section 3718 of title 31, United States Code, is amended—

(1) in subsection (a), by striking the first sentence and inserting the following: ''Under conditions the head of an executive, judicial, or legislative agency considers appropriate, the head of the agency may enter into a contract with a person for collection service to recover indebtedness owed, or to locate or recover assets of, the United States Government. The head of an agency may not enter into a contract under the preceding sentence to locate or recover assets of the United States held by a State government or financial institution unless that agency has established procedures approved by the Secretary of the Treasury to identify and recover such assets.''; and

(2) in subsection (d), by inserting '', or to locate or recover assets of,'' after ''owed''.

SEC. 5243. CROSS-SERVICING PARTNERSHIPS AND CENTRALIZATION OF DEBT COLLECTION ACTIVITIES IN THE DEPARTMENT OF THE TREASURY.

Section 3711 of title 31, United States Code, is amended by adding at the end the following new subsections:

''(g)(1) If a nontax debt or claim owed to the United States has been delinquent for a period of 180 days—

''(A) the head of the executive, judicial, or legislative agency that administers the program that gave rise to the debt or claim shall transfer the debt or claim to the Secretary of the Treasury; and

''(B) upon such transfer the Secretary of the Treasury shall take appropriate action to collect or terminate collection actions on the debt or claim.

''(2) Paragraph (1) shall not apply—

''(A) to any debt or claim that—

''(i) is in litigation or foreclosure;

''(ii) will be disposed of under an asset sales program within 1 year after the date the debt or claim is first delin-

quent, or a greater period of time if a delay would be in the best interests of the United States, as determined by the Secretary of the Treasury;

"(iii) has been referred to a private collection contractor for collection for a period of time determined by the Secretary of the Treasury;

"(iv) has been referred by, or with the consent of, the Secretary of the Treasury to a debt collection center for a period of time determined by the Secretary of the Treasury; or

"(v) will be collected under internal offset, if such offset is sufficient to collect the claim within 3 years after the date the debt or claim is first delinquent; and

"(B) to any other specific class of debt or claim, as determined by the Secretary of the Treasury at the request of the head of an executive, judicial, or legislative agency or otherwise.

"(3) For purposes of this section, the Secretary of the Treasury may designate, and withdraw such designation of debt collection centers operated by other Federal agencies. The Secretary of the Treasury shall designate such centers on the basis of their performance in collecting delinquent claims owed to the Government.

"(4) At the discretion of the Secretary of the Treasury, referral of a nontax claim may be made to—

"(A) any executive department or agency operating a debt collection center for servicing, collection, compromise, or suspension or termination of collection action;

"(B) a contractor operating under a contract for servicing or collection action; or

"(C) the Department of Justice for litigation.

"(5) nontax claims referred or transferred under this section shall be serviced, collected, or compromised, or collection action thereon suspended or terminated, in accordance with otherwise applicable statutory requirements and authorities. Executive departments and agencies operating debt collection centers may enter into agreements with the Secretary of the Treasury to carry out the purposes of this subsection. The Secretary of the Treasury shall—

"(A) maintain competition in carrying out this subsection;

"(B) maximize collections of delinquent debts by placing delinquent debts quickly;

"(C) maintain a schedule of contractors and debt collection centers eligible for referral of claims; and

"(D) refer delinquent debts to the person most appropriate to collect the type or amount of claim involved.

"(6) Any agency operating a debt collection center to which nontax claims are referred or transferred under this subsection may charge a fee sufficient to cover the full cost of implementing this subsection. The agency transferring or referring the nontax claim shall be charged the fee, and the agency charging the fee shall collect such fee by retaining the amount of the fee from amounts collected pursuant to this subsection. Agencies may agree to pay through a different method, or to fund an activity from another account or from revenue received from the procedure described under section 3720C of this title. Amounts charged under

this subsection concerning delinquent claims may be considered as costs pursuant to section 3717(e) of this title.

"(7) Notwithstanding any other law concerning the depositing and collection of Federal payments, including section 3302(b) of this title, agencies collecting fees may retain the fees from amounts collected. Any fee charged pursuant to this subsection shall be deposited into an account to be determined by the executive department or agency operating the debt collection center charging the fee (in this subsection referred to in this section as the 'Account'). Amounts deposited in the Account shall be available until expended to cover costs associated with the implementation and operation of Governmentwide debt collection activities. Costs properly chargeable to the Account include—

"(A) the costs of computer hardware and software, word processing and telecommunications equipment, and other equipment, supplies, and furniture;

"(B) personnel training and travel costs;

"(C) other personnel and administrative costs;

"(D) the costs of any contract for identification, billing, or collection services; and

"(E) reasonable costs incurred by the Secretary of the Treasury, including services and utilities provided by the Secretary, and administration of the Account.

"(8) Not later than January 1 of each year, there shall be deposited into the Treasury as miscellaneous receipts an amount equal to the amount of unobligated balances remaining in the Account at the close of business on September 30 of the preceding year, minus any part of such balance that the executive department or agency operating the debt collection center determines is necessary to cover or defray the costs under this subsection for the fiscal year in which the deposit is made.

"(9) To carry out the purposes of this subsection, the Secretary of the Treasury may prescribe such rules, regulations, and procedures as the Secretary considers necessary.

"(h)(1) The head of an executive, judicial, or legislative agency acting under subsection (a)(1), (2), or (3) of this section to collect a claim, compromise a claim, or terminate collection action on a claim may obtain a consumer report (as that term is defined in section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a)) or comparable credit information on any person who is liable for the claim.

"(2) The obtaining of a consumer report under this subsection is deemed to be a circumstance or purpose authorized or listed under section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b).".

SEC. 5244. COMPROMISE OF CLAIMS.

Section 11 of the Administrative Dispute Resolution Act (Public Law 101–552, 104 Stat. 2736, 5 U.S.C. 571 note) is amended by adding at the end the following sentence: "This section shall not apply to section 8(b) of this Act.".

SEC. 5245. WAGE GARNISHMENT REQUIREMENT.

(a) IN GENERAL.—Chapter 37 of title 31, United States Code, is amended in subchapter II by adding after section 3720C, as added by section 5261 of this subtitle, the following new section:

"§ 3720D. Garnishment

"(a) Notwithstanding any provision of State law, the head of an executive, judicial, or legislative agency that administers a program that gives rise to a delinquent nontax debt owed to the United States by an individual may in accordance with this section garnish the disposable pay of the individual to collect the amount owed, if the individual is not currently making required repayment in accordance with any agreement between the agency head and the individual.

"(b) In carrying out any garnishment of disposable pay of an individual under subsection (a), the head of an executive, judicial, or legislative agency shall comply with the following requirements:

"(1) The amount deducted under this section for any pay period may not exceed 15 percent of disposable pay, except that a greater percentage may be deducted with the written consent of the individual.

"(2) The individual shall be provided written notice, sent by mail to the individual's last known address, a minimum of 30 days prior to the initiation of proceedings, from the head of the executive, judicial, or legislative agency, informing the individual of—

"(A) the nature and amount of the debt to be collected;

"(B) the intention of the agency to initiate proceedings to collect the debt through deductions from pay; and

"(C) an explanation of the rights of the individual under this section.

"(3) The individual shall be provided an opportunity to inspect and copy records relating to the debt.

"(4) The individual shall be provided an opportunity to enter into a written agreement with the executive, judicial, or legislative agency, under terms agreeable to the head of the agency, to establish a schedule for repayment of the debt.

"(5) The individual shall be provided an opportunity for a hearing in accordance with subsection (c) on the determination of the head of the executive, judicial, or legislative agency concerning—

"(A) the existence or the amount of the debt, and

"(B) in the case of an individual whose repayment schedule is established other than by a written agreement pursuant to paragraph (4), the terms of the repayment schedule.

"(6) If the individual has been reemployed within 12 months after having been involuntarily separated from employment, no amount may be deducted from the disposable pay of the individual until the individual has been reemployed continuously for at least 12 months.

"(c)(1) A hearing under subsection (b)(5) shall be provided prior to issuance of a garnishment order if the individual, on or before the 15th day following the mailing of the notice described in subsection (b)(2), and in accordance with such procedures as the head of the executive, judicial, or legislative agency may prescribe, files a petition requesting such a hearing.

"(2) If the individual does not file a petition requesting a hearing prior to such date, the head of the agency shall provide the individ-

ual a hearing under subsection (a)(5) upon request, but such hearing need not be provided prior to issuance of a garnishment order.

"(3) The hearing official shall issue a final decision at the earliest practicable date, but not later than 60 days after the filing of the petition requesting the hearing.

"(d) The notice to the employer of the withholding order shall contain only such information as may be necessary for the employer to comply with the withholding order.

"(e)(1) An employer may not discharge from employment, refuse to employ, or take disciplinary action against an individual subject to wage withholding in accordance with this section by reason of the fact that the individual's wages have been subject to garnishment under this section, and such individual may sue in a State or Federal court of competent jurisdiction any employer who takes such action.

"(2) The court shall award attorneys' fees to a prevailing employee and, in its discretion, may order reinstatement of the individual, award punitive damages and back pay to the employee, or order such other remedy as may be reasonably necessary.

"(f)(1) The employer of an individual—

"(A) shall pay to the head of an executive, judicial, or legislative agency as directed in a withholding order issued in an action under this section with respect to the individual, and

"(B) shall be liable for any amount that the employer fails to withhold from wages due an employee following receipt by such employer of notice of the withholding order, plus attorneys' fees, costs, and, in the court's discretion, punitive damages.

"(2)(A) The head of an executive, judicial, or legislative agency may sue an employer in a State or Federal court of competent jurisdiction to recover amounts for which the employer is liable under paragraph (1)(B).

"(B) A suit under this paragraph may not be filed before the termination of the collection action, unless earlier filing is necessary to avoid expiration of any applicable statute of limitations period.

"(3) Notwithstanding paragraphs (1) and (2), an employer shall not be required to vary its normal pay and disbursement cycles in order to comply with this subsection.

"(g) For the purpose of this section, the term 'disposable pay' means that part of the compensation of any individual from an employer remaining after the deduction of any amounts required by any other law to be withheld.

"(h) The Secretary of the Treasury shall issue regulations to implement this section.".

(b) CLERICAL AMENDMENT.—The table of sections for subchapter II of chapter 37 of title 31, United States Code, is amended by inserting after the item relating to section 3720C (as added by section 5261 of this subtitle) the following new item:

"3720D. Garnishment.".

SEC. 5246. DEBT SALES BY AGENCIES.

Section 3711 of title 31, United States Code, is further amended by adding at the end the following new subsection:

"(h)(1) The head of an executive, judicial, or legislative agency may sell, subject to section 504(b) of the Federal Credit Reform Act of 1990 and using competitive procedures, any nontax debt owed to the United States that is delinquent for more than 90 days. Appropriate fees charged by a contractor to assist in the conduct of a sale under this subsection may be payable from the proceeds of the sale.

"(2) After terminating collection action, the head of an executive, judicial, or legislative agency shall sell, using competitive procedures, any nontax debt or class of nontax debts owed to the United States, if the Secretary of the Treasury determines the sale is in the best interest of the United States.

"(3) Sales of nontax debt under this subsection—

"(A) shall be for—

"(i) cash, or

"(ii) cash and a residuary equity or profit participation, if the head of the agency reasonably determines that the proceeds will be greater than sale solely for cash,

"(B) shall be without recourse, but may include the use of guarantees if otherwise authorized, and

"(C) shall transfer to the purchaser all rights of the Government to demand payment of the nontax debt, other than with respect to a residuary equity or profit participation under subparagraph (A)(ii).

"(4)(A) Within one year after the date of enactment of the Debt Collection Improvement Act of 1995, and every year thereafter, each executive agency with current and delinquent collateralized nontax debts shall report to the Congress on the valuation of its existing portfolio of loans, notes and guarantees, and other collateralized debts based on standards developed by the Director of the Office of Management and Budget, in consultation with the Secretary of the Treasury.

"(B) The Director of the Office of Management and Budget shall determine what information is required to be reported to comply with subparagraph (A). At a minimum, for each financing account and for each liquidating account (as those terms are defined in sections 502(7) and 502(8), respectively, of the Federal Credit Reform Act of 1990) the following information shall be reported:

"(i) The cumulative balance of current debts outstanding, the estimated net present value of such debts, the annual administrative expenses of those debts (including the portion of salaries and expenses that are directly related thereto), and the estimated net proceeds that would be received by the Government if such debts were sold.

"(ii) The cumulative balance of delinquent debts, debts outstanding, the estimated net present value of such debts, the annual administrative expenses of those debts (including the portion of salaries and expenses that are directly related thereto), and the estimated net proceeds that would be received by the Government if such debts were sold.

"(iii) The cumulative balance of guaranteed loans outstanding, the estimated net present value of such guarantees, the annual administrative expenses of such guarantees (including the portion of salaries and expenses that are directly related to such guaranteed loans), and the estimated net proceeds that

would be received by the Government if such loan guarantees were sold.

"(iv) The cumulative balance of defaulted loans that were previously guaranteed and have resulted in loans receivables, the estimated net present value of such loan assets, the annual administrative expenses of such loan assets (including the portion of salaries and expenses that are directly related to such loan assets), and the estimated net proceeds that would be received by the Government if such loan assets were sold.

"(v) The marketability of all debts.

"(5) This subsection is not intended to limit existing statutory authority of agencies to sell loans, debts, or other assets.".

SEC. 5247. ADJUSTMENTS OF ADMINISTRATIVE DEBT.

Section 3717 of title 31, United States Code, is amended by adding at the end of subsection (h) the following new subsection:

"(i)(1) The head of an executive, judicial, or legislative agency may increase an administrative claim by the cost of living adjustment in lieu of charging interest and penalties under this section. Adjustments under this subsection will be computed annually.

"(2) For the purpose of this subsection—

"(A) the term 'cost of living adjustment' means the percentage by which the Consumer Price Index for the month of June of the calendar year preceding the adjustment exceeds the Consumer Price Index for the month of June of the calendar year in which the claim was determined or last adjusted; and

"(B) the term 'administrative claim' includes all debt that is not based on an extension of Government credit through direct loans, loan guarantees, or insurance, including fines, penalties, and overpayments.".

SEC. 5248. DISSEMINATION OF INFORMATION REGARDING IDENTITY OF DELINQUENT DEBTORS.

(a) IN GENERAL.—Chapter 37 of title 31, United States Code, is amended in subchapter II by adding after section 3720D, as added by section 5245 of this subtitle, the following new section:

"§ 3720E. Dissemination of information regarding identity of delinquent debtors

"(a) The head of any agency may, with the review of the Secretary of the Treasury, for the purpose of collecting any delinquent nontax debt owed by any person, publish or otherwise publicly disseminate information regarding the identity of the person and the existence of the nontax debt.

"(b)(1) The Secretary of the Treasury, in consultation with the Director of the Office of Management and Budget and the heads of other appropriate Federal agencies, shall issue regulations establishing procedures and requirements the Secretary considers appropriate to carry out this section.

"(2) Regulations under this subsection shall include—

"(A) standards for disseminating information that maximize collections of delinquent nontax debts, by directing actions under this section toward delinquent debtors that have assets or income sufficient to pay their delinquent nontax debt;

"(B) procedures and requirements that prevent dissemination of information under this section regarding persons who have not had an opportunity to verify, contest, and compromise their nontax debt in accordance with this subchapter; and

"(C) procedures to ensure that persons are not incorrectly identified pursuant to this section.".

(b) CLERICAL AMENDMENT.—The table of sections for subchapter II of chapter 37 of title 31, United States Code, is amended by adding after the item relating to section 3720D (as added by section 5245 of this subtitle) the following new item:

"3720E. Dissemination of information regarding identity of delinquent debtors.".

Subpart E—Federal Civil Monetary Penalties

SEC. 5251. ADJUSTING FEDERAL CIVIL MONETARY PENALTIES FOR INFLATION.

(a) IN GENERAL.—The Federal Civil Penalties Inflation Adjustment Act of 1990 (Public Law 101–410, 104 Stat. 890; 28 U.S.C. 2461 note) is amended—

(1) by amending section 4 to read as follows:

"SEC. 4. The head of each agency shall, not later than 180 days after the date of enactment of the Debt Collection Improvement Act of 1995, and at least once every 4 years thereafter—

"(1) by regulation adjust each civil monetary penalty provided by law within the jurisdiction of the Federal agency, except for any penalty (including any addition to tax and additional amount) under the Internal Revenue Code of 1986, the Tarriff Act of 1930, or the Social Security Act, by the inflation adjustment described under section 5 of this Act; and

"(2) publish each such regulation in the Federal Register.";

(2) in section 5(a), by striking "The adjustment described under paragraphs (4) and (5)(A) of section 4" and inserting "The inflation adjustment under section 4"; and

(3) by adding at the end the following new section:

"SEC. 7. Any increase under this Act in a civil monetary penalty shall apply only to violations which occur after the date the increase takes effect.".

(b) LIMITATION ON INITIAL ADJUSTMENT.—The first adjustment of a civil monetary penalty made pursuant to the amendment made by to subsection (a) may not exceed 10 percent of such penalty.

Subpart F—Gain Sharing

SEC. 5261. DEBT COLLECTION IMPROVEMENT ACCOUNT.

(a) IN GENERAL.—Title 31, United States Code, is amended by inserting after section 3720B (as added by section 5232 of this subtitle) the following new section:

"§ 3720C. Debt Collection Improvement Account

"(a)(1) There is hereby established in the Treasury a special fund to be known as the 'Debt Collection Improvement Account' (hereinafter in this section referred to as the 'Account').

"(2) The Account shall be maintained and managed by the Secretary of the Treasury, who shall ensure that agency programs are credited with amounts transferred under subsection (b)(1).

"(b)(1) Not later than 30 days after the end of a fiscal year, an agency may transfer to the Account the amount described in paragraph (3), as adjusted under paragraph (4).

"(2) Agency transfers to the Account may include collections from—

"(A) salary, administrative, and tax refund offsets;

"(B) automated levy authority;

"(C) the Department of Justice;

"(D) private collection agencies;

"(E) sales of delinquent loans; and

"(F) contracts to locate or recover assets.

"(3) The amount referred to in paragraph (1) shall be 5 percent of the amount of delinquent debt collected by an agency in a fiscal year, minus the greater of—

"(A) 5 percent of the amount of delinquent nontax debt collected by the agency in the previous fiscal year, or

"(B) 5 percent of the amount of delinquent nontax debt collected by the agency in the previous 4 fiscal years.

"(4) In consultation with the Secretary of the Treasury, the Office of Management and Budget may adjust the amount described in paragraph (3) for an agency to reflect the level of effort in credit management programs by the agency. As an indicator of the level of effort in credit management, the Office of Management and Budget shall consider the following:

"(A) The number of days between the date a claim or debt became delinquent and the date which an agency referred the debt or claim to the Secretary of the Treasury or obtained an exemption from this referral under section 3711(g)(2) of this title.

"(B) The ratio of delinquent debts or claims to total receivables for a given program, and the change in this ratio over a period of time.

"(c)(1) The Secretary of the Treasury may make payments from the Account solely to reimburse agencies for qualified expenses. For agencies with franchise funds, such payments may be credited to subaccounts designated for debt collection.

"(2) For purposes of this section, the term 'qualified expenses' means expenditures for the improvement of credit management, debt collection, and debt recovery activities, including—

"(A) account servicing (including cross-servicing under section 3711(g) of this title),

"(B) automatic data processing equipment acquisitions,

"(C) delinquent debt collection,

"(D) measures to minimize delinquent debt,

"(E) sales of delinquent debt,

"(F) asset disposition, and

"(G) training of personnel involved in credit and debt management.

"(3)(A) Amounts in the Account shall be available to the Secretary of the Treasury for purposes of this section to the extent and in amounts provided in advance in appropriation Acts.

"(B) As soon as practicable after the end of the third fiscal year after which appropriations are made pursuant to this section, and every 3 years thereafter, any unappropriated balance in the Account shall be transferred to the general fund of the Treasury as miscellaneous receipts.

"(d) For direct loans and loan guarantee programs subject to title V of the Congressional Budget Act of 1974, amounts credited in accordance with subsection (c) shall be considered administrative costs.

"(e) The Secretary of the Treasury shall prescribe such rules, regulations, and procedures as the Secretary considers necessary or appropriate to carry out the purposes of this section.".

(b) CLERICAL AMENDMENT.—The table of sections for chapter 37 of title 31, United States Code, is amended by inserting after the item relating to section 3720B (as added by section 5232 of this subtitle) the following new item:

"3720C. Debt Collection Improvement Account.".

Subpart G—Tax Refund Offset Authority

SEC. 5271. EXPANDING TAX REFUND OFFSET AUTHORITY.

(a) DISCRETIONARY AUTHORITY.—Section 3720A of title 31, United States Code, is amended by adding after subsection (h) the following new subsection:

"(i) An agency subject to section 9 of the Act of May 18, 1933 (16 U.S.C. 831h), may implement this section at its discretion.".

(b) FEDERAL AGENCY DEFINED.—Section 6402(f) of the Internal Revenue Code of 1986 (26 U.S.C. 6402(f)), is amended to read as follows:

"(f) FEDERAL AGENCY.—For purposes of this section, the term 'Federal agency' means a department, agency, or instrumentality of the United States, and includes a Government corporation (as such term is defined in section 103 of title 5, United States Code).".

SEC. 5272. EXPANDING AUTHORITY TO COLLECT PAST-DUE SUPPORT.

(a) NOTIFICATION OF SECRETARY OF THE TREASURY.—Section 3720A(a) of title 31, United States Code, is amended to read as follows:

"(a) Any Federal agency that is owed by a person a past-due, legally enforceable debt (including debt administered by a third party acting as an agent for the Federal Government) shall, and any agency subject to section 9 of the Act of May 18, 1933 (16 U.S.C. 831h), owed such a debt may, in accordance with regulations issued pursuant to subsections (b) and (d), notify the Secretary of the Treasury at least once each year of the amount of such debt.".

(b) IMPLEMENTATION OF SUPPORT COLLECTION BY SECRETARY OF THE TREASURY.—Section 464(a) of the Act of August 14, 1935 (42 U.S.C. 664(a)) is amended—

(1) in paragraph (1), by adding at the end the following: "This subsection may be executed by the disbursing official of the Department of the Treasury."; and

(2) in paragraph (2)(A), by adding at the end the following: "This subsection may be executed by the disbursing official of the Department of the Treasury.".

Subpart H—Disbursements

SEC. 5281. ELECTRONIC FUNDS TRANSFER.

Section 3332 of title 31, United States Code, popularly known as the Federal Financial Management Act of 1994, is amended—

(1) by redesignating subsection (e) as subsection (h), and inserting after subsection (d) the following new subsections:

"(e)(1) Notwithstanding subsections (a) through (d) of this section, sections 5120(a) and (d) of title 38, and any other provision of law, all Federal payments to a recipient who becomes eligible for that type of payments after 90 days after the date of the enactment of the Debt Collection Improvement Act of 1995 shall be made by electronic funds transfer.

"(2) The head of a Federal agency shall, with respect to Federal payments made or authorized by the agency, waive the application of paragraph (1) to a recipient of those payments upon receipt of written certification from the recipient that the recipient does not have an account with a financial institution or an authorized payment agent.

"(f)(1) Notwithstanding any other provision of law (including subsections (a) through (e) of this section and sections 5120(a) and (d) of title 38), except as provided in paragraph (2) all Federal payments made after January 1, 1999, shall be made by electronic funds transfer.

"(2)(A) The Secretary of the Treasury may waive application of this subsection to payments—

"(i) for individuals or classes of individuals for whom compliance imposes a hardship;

"(ii) for classifications or types of checks; or

"(iii) in other circumstances as may be necessary.

"(B) The Secretary of the Treasury shall make determinations under subparagraph (A) based on standards developed by the Secretary.

"(g) Each recipient of Federal payments required to be made by electronic funds transfer shall—

"(1) designate 1 or more financial institutions or other authorized agents to which such payments shall be made; and

"(2) provide to the Federal agency that makes or authorizes the payments information necessary for the recipient to receive electronic funds transfer payments through each institution or agent designated under paragraph (1).''; and

(2) by adding after subsection (h) (as so redesignated) the following new subsections:

"(i)(1) The Secretary of the Treasury may prescribe regulations that the Secretary considers necessary to carry out this section.

"(2) Regulations under this subsection shall ensure that individuals required under subsection (g) to have an account at a financial institution because of the application of subsection (f)(1)—

"(A) will have access to such an account at a reasonable cost; and

"(B) are given the same consumer protections with respect to the account as other account holders at the same financial institution.

"(j) For purposes of this section—

"(1) The term 'electronic funds transfer' means any transfer of funds, other than a transaction originated by cash, check, or similar paper instrument, that is initiated through an electronic terminal, telephone, computer, or magnetic tape, for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account. The term includes Automated Clearing House transfers, Fed Wire transfers, transfers made at automatic teller machines, and point-of-sale terminals.

"(2) The term 'Federal agency' means—

"(A) an agency (as defined in section 101 of this title); and

"(B) a Government corporation (as defined in section 103 of title 5).

"(3) The term 'Federal payments' includes—

"(A) Federal wage, salary, and retirement payments;

"(B) vendor and expense reimbursement payments; and

"(C) benefit payments.

Such term shall not include any payment under the Internal Revenue Code of 1986."

SEC. 5282. REQUIREMENT TO INCLUDE TAXPAYER IDENTIFYING NUMBER WITH PAYMENT VOUCHER.

Section 3325 of title 31, United States Code, is amended by adding at the end the following new subsection:

"(d) The head of an executive agency or an officer or employee of an executive agency referred to in subsection (a)(1)(B), as applicable, shall include with each certified voucher submitted to a disbursing official pursuant to this section the taxpayer identifying number of each person to whom payment may be made under the voucher.".

Subpart I—Miscellaneous

SEC. 5291. MISCELLANEOUS AMENDMENTS TO DEFINITIONS.

Section 3701 of title 31, United States Code, is amended—

(1) by amending subsection (a)(1) to read as follows:

"(1) 'administrative offset' means withholding funds payable by the United States (including funds payable by the United States on behalf of a State government) to, or held by the United States for, a person to satisfy a claim.";

(2) by amending subsection (b) to read as follows:

"(b)(1) In subchapter II of this chapter, the term 'claim' or 'debt' means any amount of funds or property that has been determined by an appropriate official of the Federal Government to be owed to the United States by a person, organization, or entity other than another Federal agency. A claim includes, without limitation—

"(A) funds owed on account of loans made, insured, or guaranteed by the Government, including any deficiency or any difference between the price obtained by the Government in the sale of a property and the amount owed to the Government on a mortgage on the property,

"(B) expenditures of nonappropriated funds,

"(C) over-payments, including payments disallowed by audits performed by the Inspector General of the agency administering the program,

"(D) any amount the United States is authorized by statute to collect for the benefit of any person,

"(E) the unpaid share of any non-Federal partner in a program involving a Federal payment and a matching, or cost-sharing, payment by the non-Federal partner,

"(F) any fines or penalties assessed by an agency; and

"(G) other amounts of money or property owed to the Government.

"(2) For purposes of sections 3716 of this title, each of the terms 'claim' and 'debt' includes an amount of funds or property owed by a person to a State (including any past-due support being enforced by the State), the District of Columbia, American Samoa, Guam, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, or the Commonwealth of Puerto Rico."; and

(3) by adding after subsection (f) (as added by section 5241 of this subtitle) the following new subsection:

"(g) In section 3716 of this title—

"(1) 'creditor agency' means any agency owed a claim that seeks to collect that claim through administrative offset; and

"(2) 'payment certifying agency' means any agency that has transmitted a voucher to a disbursing official for disbursement.".

SEC. 5292. MONITORING AND REPORTING.

(a) GUIDELINES.—The Secretary of the Treasury, in consultation with concerned Federal agencies, may establish guidelines, including information on outstanding debt, to assist agencies in the performance and monitoring of debt collection activities.

(b) REPORT.—Not later than 3 years after the date of enactment of this subtitle, the Secretary of the Treasury shall report to the Congress on collection services provided by Federal agencies or entities collecting debt on behalf of other Federal agencies under the authorities contained in section 3711(g) of title 31, United States Code, as added by section 5243 of this subtitle.

(c) AGENCY REPORTS.—Section 3719 of title 31, United States Code, is amended—

(1) in subsection (a)—

(A) by amending the first sentence to read as follows: "In consultation with the Comptroller General of the United States, the Secretary of the Treasury shall prescribe regulations requiring the head of each agency with outstanding nontax claims to prepare and submit to the Secretary at least once each year a report summarizing the status of loans and accounts receivable that are managed by the head of the agency."; and

(B) in paragraph (3), by striking "Director" and inserting "Secretary"; and

(2) in subsection (b), by striking "Director" and inserting "Secretary".

(d) CONSOLIDATION OF REPORTS.—Notwithstanding any other provision of law, the Secretary of the Treasury may consolidate reports concerning debt collection otherwise required to be submitted by the Secretary into one annual report.

SEC. 5293. REVIEW OF STANDARDS AND POLICIES FOR COMPROMISE OR WRITE-DOWN OF DELINQUENT DEBTS.

The Director of the Office of Management and Budget shall—

(1) review the standards and policies of each Federal agency for compromising, writing-down, forgiving, or discharging indebtedness arising from programs of the agency;

(2) determine whether those standards and policies are consistent and protect the interests of the United States;

(3) in the case of any Federal agency standard or policy that the Secretary determines is not consistent or does not protect the interests of the United States, direct the head of the agency to make appropriate modifications to the standard or policy; and

(4) report annually to the Congress on—

(A) deficiencies in the standards and policies of Federal agencies for compromising, writing-down, forgiving, or discharging indebtedness; and

(B) progress made in improving those standards and policies.

PART II—JUSTICE DEBT MANAGEMENT

SEC. 5301. EXPANDED USE OF PRIVATE ATTORNEYS.

(a) ELIMINATION OF LIMITATION ON FEES.—Section 3718(b)(1)(A) of title 31, United States Code, is amended by striking the fourth sentence.

(b) REPEAL.—Sections 3 and 5 of the Act of October 28, 1986 (popularly known as the Federal Debt Recovery Act; Public Law 99–578, 100 Stat. 3305) are hereby repealed.

SEC. 5302. NONJUDICIAL FORECLOSURE OF MORTGAGES.

Chapter 176 of title 28, United States Code, is amended—

(1) in the table of subchapters at the beginning of the chapter by adding at the end the following new item:

"E. Nonjudicial foreclosure ..... 3401"; and

(2) by adding at the end of the chapter the following new subchapter:

"SUBCHAPTER E—NONJUDICIAL FORECLOSURE

"Sec.
"3401. Definitions.
"3402. Rules of construction.
"3403. Election of procedure.
"3404. Designation of foreclosure trustee.
"3405. Notice of foreclosure sale; statute of limitations.
"3406. Service of notice of foreclosure sale.
"3407. Cancellation of foreclosure sale.
"3408. Stay.
"3409. Conduct of sale; postponement.
"3410. Transfer of title and possession.
"3411. Record of foreclosure and sale.
"3412. Effect of sale.
"3413. Disposition of sale proceeds.
"3414. Deficiency judgment.

"§ 3401. Definitions

"As used in this subchapter—

"(1) 'agency' means—

"(A) an Executive department, as set forth in section 101 of title 5, United States Code;

"(B) an independent establishment, as defined in section 104 of title 5, United States Code (except that it shall not include the General Accounting Office);

"(C) a military department, as set forth in section 102 of title 5, United States Code; and

"(D) a wholly owned government corporation, as defined in section 9101(3) of title 31, United States Code;

"(2) 'agency head' means the head and any assistant head of an agency, and may upon the designation by the head of an agency include the chief official of any principal division of an agency or any other employee of an agency;

"(3) 'bona fide purchaser' means a purchaser for value in good faith and without notice of any adverse claim who acquires the seller's interest free of any adverse claim;

"(4) 'debt instrument' means a note, mortgage bond, guaranty, or other instrument creating a debt or other obligation, including any instrument incorporated by reference therein and any instrument or agreement amending or modifying a debt instrument;

"(5) 'file' or 'filing' means docketing, indexing, recording, or registering, or any other requirement for perfecting a mortgage or a judgment;

"(6) 'foreclosure trustee' means an individual, partnership, association, or corporation, or any employee thereof, including a successor, appointed by the agency head to conduct a foreclosure sale pursuant to this subchapter;

"(7) 'mortgage' means a deed of trust, deed to secure debt, security agreement, or any other form of instrument under which any interest in real property, including leaseholds, life estates, reversionary interests, and any other estates under applicable law is conveyed in trust, mortgaged, encumbered, pledged, or otherwise rendered subject to a lien, for the purpose of securing the payment of money or the performance of any other obligation;

"(8) 'of record' means an interest recorded pursuant to Federal or State statutes that provide for official recording of deeds, mortgages, and judgments, and that establish the effect of such records as notice to creditors, purchasers, and other interested persons;

"(9) 'owner' means any person who has an ownership interest in property and includes heirs, devisees, executors, administrators, and other personal representatives, and trustees of testamentary trusts if the owner of record is deceased;

"(10) 'sale' means a sale conducted pursuant to this subchapter, unless the context requires otherwise; and

"(11) 'security property' means real property, or any interest in real property including leaseholds, life estates, reversionary interests, and any other estates under applicable State law that secure a mortgage.

"§ 3402. Rules of construction

"(a) IN GENERAL.—If an agency head elects to proceed under this subchapter, this subchapter shall apply and the provisions of this subchapter shall govern in the event of a conflict with any other provision of Federal law or State law.

"(b) LIMITATION.—This subchapter shall not be construed to supersede or modify the operation of—

"(1) the lease-back/buy-back provisions under section 335 of the Consolidated Farm and Rural Development Act, or regulations promulgated thereunder; or

"(2) The Multifamily Mortgage Foreclosure Act of 1981.

"(c) EFFECT ON OTHER LAWS.—This subchapter shall not be construed to curtail or limit the rights of the United States or any of its agencies—

"(1) to foreclose a mortgage under any other provision of Federal law or State law; or

"(2) to enforce any right under Federal law or State law in lieu of or in addition to foreclosure, including any right to obtain a monetary judgment.

"(d) APPLICATION TO MORTGAGES.—The provisions of this subchapter may be used to foreclose any mortgage, whether executed prior or subsequent to the effective date of this subchapter.

"§ 3403. Election of procedure

"(a) SECURITY PROPERTY SUBJECT TO FORECLOSURE.—An agency head may foreclose a mortgage upon the breach of a covenant or condition in a debt instrument or mortgage for which acceleration or foreclosure is authorized. An agency head may not institute foreclosure proceedings on the mortgage under any other provision of law, or refer such mortgage for litigation, during the pendency of foreclosure proceedings pursuant to this subchapter.

"(b) EFFECT OF CANCELLATION OF SALE.—If a foreclosure sale is canceled pursuant to section 3407, the agency head may thereafter foreclose on the security property in any manner authorized by law.

"§ 3404. Designation of foreclosure trustee

"(a) IN GENERAL.—An agency head shall designate a foreclosure trustee who shall supersede any trustee designated in the mortgage. A foreclosure trustee designated under this section shall have a nonjudicial power of sale pursuant to this subchapter.

"(b) DESIGNATION OF FORECLOSURE TRUSTEE.—

"(1) An agency head may designate as foreclosure trustee—

"(A) an officer or employee of the agency;

"(B) an individual who is a resident of the State in which the security property is located; or

"(C) a partnership, association, or corporation, if such entity is authorized to transact business under the laws of the State in which the security property is located.

"(2) The agency head is authorized to enter into personal services and other contracts not inconsistent with this subchapter.

"(c) METHOD OF DESIGNATION.—An agency head shall designate the foreclosure trustee in writing. The foreclosure trustee may be

designated by name, title, or position. An agency head may designate one or more foreclosure trustees for the purpose of proceedings with multiple foreclosures or a class of foreclosures.

"(d) AVAILABILITY OF DESIGNATION.—An agency head may designate such foreclosure trustees as the agency head deems necessary to carry out the purposes of this subchapter.

"(e) MULTIPLE FORECLOSURE TRUSTEES AUTHORIZED.—An agency head may designate multiple foreclosure trustees for different tracts of a secured property.

"(f) REMOVAL OF FORECLOSURE TRUSTEES; SUCCESSOR FORECLOSURE TRUSTEES.—An agency head may, with or without cause or notice, remove a foreclosure trustee and designate a successor trustee as provided in this section. The foreclosure sale shall continue without prejudice notwithstanding the removal of the foreclosure trustee and designation of a successor foreclosure trustee. Nothing in this section shall be construed to prohibit a successor foreclosure trustee from postponing the foreclosure sale in accordance with this subchapter.

"§ 3405. Notice of foreclosure sale; statute of limitations

"(a) IN GENERAL.—

"(1) Not earlier than 21 days nor later than ten years after acceleration of a debt instrument or demand on a guaranty, the foreclosure trustee shall serve a notice of foreclosure sale in accordance with this subchapter.

"(2) For purposes of computing the time period under paragraph (1), there shall be excluded all periods during which there is in effect—

"(A) a judicially imposed stay of foreclosure; or

"(B) a stay imposed by section 362 of title 11, United States Code.

"(3) In the event of partial payment or written acknowledgement of the debt after acceleration of the debt instrument, the right to foreclose shall be deemed to accrue again at the time of each such payment or acknowledgement.

"(b) NOTICE OF FORECLOSURE SALE.—The notice of foreclosure sale shall include—

"(1) the name, title, and business address of the foreclosure trustee as of the date of the notice;

"(2) the names of the original parties to the debt instrument and the mortgage, and any assignees of the mortgagor of record;

"(3) the street address or location of the security property, and a generally accepted designation used to describe the security property, or so much thereof as is to be offered for sale, sufficient to identify the property to be sold;

"(4) the date of the mortgage, the office in which the mortgage is filed, and the location of the filing of the mortgage;

"(5) the default or defaults upon which foreclosure is based, and the date of the acceleration of the debt instrument;

"(6) the date, time, and place of the foreclosure sale;

"(7) a statement that the foreclosure is being conducted in accordance with this subchapter;

"(8) the types of costs, if any, to be paid by the purchaser upon transfer of title; and

"(9) the terms and conditions of sale, including the method and time of payment of the foreclosure purchase price.

"§ 3406. Service of notice of foreclosure sale

"(a) RECORD NOTICE.—At least 21 days prior to the date of the foreclosure sale, the notice of foreclosure sale required by section 3405 shall be filed in the manner authorized for filing a notice of an action concerning real property according to the law of the State where the security property is located or, if none, in the manner authorized by section 3201 of this chapter.

"(b) NOTICE BY MAIL.—

"(1) At least 21 days prior to the date of the foreclosure sale, the notice set forth in section 3405 shall be sent by registered or certified mail, return receipt requested—

"(A) to the current owner of record of the security property as the record appears on the date that the notice of foreclosure sale is recorded pursuant to subsection (a);

"(B) to all debtors, including the mortgagor, assignees of the mortgagor and guarantors of the debt instrument;

"(C) to all persons having liens, interests or encumbrances of record upon the security property, as the record appears on the date that the notice of foreclosure sale is recorded pursuant to subsection (a); and

"(D) to any occupants of the security property.

If the names of the occupants of the security property are not known to the agency, or the security property has more than one dwelling unit, the notice shall be posted at the security property.

"(2) The notice shall be sent to the debtor at the address, if any, set forth in the debt instrument or mortgage as the place to which notice is to be sent, and if different, to the debtor's last known address as shown in the mortgage record of the agency. The notice shall be sent to any person other than the debtor to that person's address of record or, if there is no address of record, to any address at which the agency in good faith believes the notice is likely to come to that person's attention.

"(3) Notice by mail pursuant to this subsection shall be effective upon mailing.

"(c) NOTICE BY PUBLICATION.—The notice of the foreclosure sale shall be published at least once a week for each of three successive weeks prior to the sale in at least one newspaper of general circulation in any county or counties in which the security property is located. If there is no newspaper published at least weekly that has a general circulation in at least one county in which the security property is located, copies of the notice of foreclosure sale shall instead be posted at least 21 days prior to the sale at the courthouse of any county or counties in which the property is located and the place where the sale is to be held.

"§ 3407. Cancellation of foreclosure sale

"(a) IN GENERAL.—At any time prior to the foreclosure sale, the foreclosure trustee shall cancel the sale—

"(1) if the debtor or the holder of any subordinate interest in the security property tenders the performance due under the debt instrument and mortgage, including any amounts due because of the exercise of the right to accelerate, and the expenses of proceeding to foreclosure incurred to the time of tender; or

"(2) if the security property is a dwelling of four units or fewer, and the debtor—

"(A) pays or tenders all sums which would have been due at the time of tender in the absence of any acceleration;

"(B) performs any other obligation which would have been required in the absence of any acceleration; and

"(C) pays or tenders all costs of foreclosure incurred for which payment from the proceeds of the sale would be allowed; or

"(3) for any reason approved by the agency head.

"(b) LIMITATION.—The debtor may not, without the approval of the agency head, cure the default under subsection (a)(2) if, within the preceding 12 months, the debtor has cured a default after being served with a notice of foreclosure sale pursuant to this subchapter.

"(c) NOTICE OF CANCELLATION.—The foreclosure trustee shall file a notice of the cancellation in the same place and manner provided for the filing of the notice of foreclosure sale under section 3406(a).

"§ 3408. Stay

"If, prior to the time of sale, foreclosure proceedings under this subchapter are stayed in any manner, including the filing of bankruptcy, no person may thereafter cure the default under the provisions of section 3407(a)(2). If the default is not cured at the time a stay is terminated, the foreclosure trustee shall proceed to sell the security property as provided in this subchapter.

"§ 3409. Conduct of sale; postponement

"(a) SALE PROCEDURES.—Foreclosure sale pursuant to this subchapter shall be at public auction and shall be scheduled to begin at a time between the hours of 9:00 a.m. and 4:00 p.m. local time. The foreclosure sale shall be held at the location specified in the notice of foreclosure sale, which shall be a location where real estate foreclosure auctions are customarily held in the county or one of the counties in which the property to be sold is located or at a courthouse therein, or upon the property to be sold. Sale of security property situated in two or more counties may be held in any one of the counties in which any part of the security property is situated. The foreclosure trustee may designate the order in which multiple tracts of security property are sold.

"(b) BIDDING REQUIREMENTS.—Written one-price sealed bids shall be accepted by the foreclosure trustee, if submitted by the agency head or other persons for entry by announcement by the foreclosure trustee at the sale. The sealed bids shall be submitted in accordance with the terms set forth in the notice of foreclosure sale.

The agency head or any other person may bid at the foreclosure sale, even if the agency head or other person previously submitted a written one-price bid. The agency head may bid a credit against the debt due without the tender or payment of cash. The foreclosure trustee may serve as auctioneer, or may employ an auctioneer who may be paid from the sale proceeds. If an auctioneer is employed, the foreclosure trustee is not required to attend the sale. The foreclosure trustee or an auctioneer may bid as directed by the agency head.

"(c) POSTPONEMENT OF SALE.—The foreclosure trustee shall have discretion, prior to or at the time of sale, to postpone the foreclosure sale. The foreclosure trustee may postpone a sale to a later hour the same day by announcing or posting the new time and place of the foreclosure sale at the time and place originally scheduled for the foreclosure sale. The foreclosure trustee may instead postpone the foreclosure sale for not fewer than 9 nor more than 31 days, by serving notice that the foreclosure sale has been postponed to a specified date, and the notice may include any revisions the foreclosure trustee deems appropriate. The notice shall be served by publication, mailing, and posting in accordance with section 3406(b) and (c), except that publication may be made on any of three separate days prior to the new date of the foreclosure sale, and mailing may be made at any time at least 7 days prior to the new date of the foreclosure sale.

"(d) LIABILITY OF SUCCESSFUL BIDDER WHO FAILS TO COMPLY.—The foreclosure trustee may require a bidder to make a cash deposit before the bid is accepted. The amount or percentage of the cash deposit shall be stated by the foreclosure trustee in the notice of foreclosure sale. A successful bidder at the foreclosure sale who fails to comply with the terms of the sale shall forfeit the cash deposit or, at the election of the foreclosure trustee, shall be liable to the agency on a subsequent sale of the property for all net losses incurred by the agency as a result of such failure.

"(e) EFFECT OF SALE.—Any foreclosure sale held in accordance with this subchapter shall be conclusively presumed to have been conducted in a legal, fair, and commercially reasonable manner. The sale price shall be conclusively presumed to constitute the reasonably equivalent value of the security property.

"§ 3410. Transfer of title and possession

"(a) DEED.—After receipt of the purchase price in accordance with the terms of the sale as provided in the notice of foreclosure sale, the foreclosure trustee shall execute and deliver to the purchaser a deed conveying the security property to the purchaser that grants and conveys title to the security property without warranty or covenants to the purchaser. The execution of the foreclosure trustee's deed shall have the effect of conveying all of the right, title, and interest in the security property covered by the mortgage. Notwithstanding any other law to the contrary, the foreclosure trustee's deed shall be a conveyance of the security property and not a quitclaim. No judicial proceeding shall be required ancillary or supplementary to the procedures provided in this subchapter to establish the validity of the conveyance.

"(b) DEATH OF PURCHASER PRIOR TO CONSUMMATION OF SALE.—If a purchaser dies before execution and delivery of the deed conveying the security property to the purchaser, the foreclosure trustee shall execute and deliver the deed to the representative of the purchaser's estate upon payment of the purchase price in accordance with the terms of sale. Such delivery to the representative of the purchaser's estate shall have the same effect as if accomplished during the lifetime of the purchaser.

"(c) PURCHASER CONSIDERED BONA FIDE PURCHASER WITHOUT NOTICE.—The purchaser of property under this subchapter shall be presumed to be a bona fide purchaser without notice of defects, if any, in the title conveyed to the purchaser.

"(d) POSSESSION BY PURCHASER; CONTINUING INTERESTS.—A purchaser at a foreclosure sale conducted pursuant to this subchapter shall be entitled to possession upon passage of title to the security property, subject to any interest or interests senior to that of the mortgage. The right to possession of any person without an interest senior to the mortgage who is in possession of the property shall terminate immediately upon the passage of title to the security property, and the person shall vacate the security property immediately. The purchaser shall be entitled to take any steps available under Federal law or State law to obtain possession.

"§ 3411. Record of foreclosure and sale

"(a) RECITAL REQUIREMENTS.—The foreclosure trustee shall recite in the deed to the purchaser, or in an addendum to the foreclosure trustee's deed, or shall prepare an affidavit stating—

"(1) the date, time, and place of sale;

"(2) the date of the mortgage, the office in which the mortgage is filed, and the location of the filing of the mortgage;

"(3) the persons served with the notice of foreclosure sale;

"(4) the date and place of filing of the notice of foreclosure sale under section 3406(a);

"(5) that the foreclosure was conducted in accordance with the provisions of this subchapter; and

"(6) the sale amount.

"(b) EFFECT OF RECITALS.—The recitals set forth in subsection (a) shall be prima facie evidence of the truth of such recitals. Compliance with the requirements of subsection (a) shall create a conclusive presumption of the validity of the sale in favor of bona fide purchasers and encumbrancers for value without notice.

"(c) DEED TO BE ACCEPTED FOR FILING.—The register of deeds or other appropriate official of the county or counties where real estate deeds are regularly filed shall accept for filing and shall file the foreclosure trustee's deed and affidavit, if any, and any other instruments submitted for filing in relation to the foreclosure of the security property under this subchapter.

"§ 3412. Effect of sale

"A sale conducted under this subchapter to a bona fide purchaser shall bar all claims upon the security property by—

"(1) any person to whom the notice of foreclosure sale was mailed as provided in this subchapter who claims an interest in the property subordinate to that of the mortgage, and the

heir, devisee, executor, administrator, successor, or assignee claiming under any such person;

"(2) any person claiming any interest in the property subordinate to that of the mortgage, if such person had actual knowledge of the sale;

"(3) any person so claiming, whose assignment, mortgage, or other conveyance was not filed in the proper place for filing, or whose judgment or decree was not filed in the proper place for filing, prior to the date of filing of the notice of foreclosure sale as required by section 3406(a), and the heir, devisee, executor, administrator, successor, or assignee of such a person; or

"(4) any other person claiming under a statutory lien or encumbrance not required to be filed and attaching to the title or interest of any person designated in any of the foregoing subsections of this section.

"§ 3413. Disposition of sale proceeds

"(a) DISTRIBUTION OF SALE PROCEEDS.—The foreclosure trustee shall distribute the proceeds of the foreclosure sale in the following order:

"(1)(A) First, to pay the commission of the foreclosure trustee, other than an agency employee, the greater of—

"(i) the sum of—

"(I) 3 percent of the first $1,000 collected, plus

"(II) 1.5 percent on the excess of any sum collected over $1,000; or

"(ii) $250.

"(B) The amounts described in subparagraph (A)(i) shall be computed on the gross proceeds of all security property sold at a single sale.

"(2) Thereafter, to pay the expense of any auctioneer employed by the foreclosure trustee, if any, except that the commission payable to the foreclosure trustee pursuant to paragraph (1) shall be reduced by the amount paid to an auctioneer, unless the agency head determines that such reduction would adversely affect the ability of the agency head to retain qualified foreclosure trustees or auctioneers.

"(3) Thereafter, to pay for the costs of foreclosure, including—

"(A) reasonable and necessary advertising costs and postage incurred in giving notice pursuant to section 3406;

"(B) mileage for posting notices and for the foreclosure trustee's or auctioneer's attendance at the sale at the rate provided in section 1921 of title 28, United States Code, for mileage by the most reasonable road distance;

"(C) reasonable and necessary costs actually incurred in connection with any search of title and lien records; and

"(D) necessary costs incurred by the foreclosure trustee to file documents.

"(4) Thereafter, to pay valid real property tax liens or assessments, if required by the notice of foreclosure sale.

"(5) Thereafter, to pay any liens senior to the mortgage, if required by the notice of foreclosure sale.

"(6) Thereafter, to pay service charges and advancements for taxes, assessments, and property insurance premiums.

"(7) Thereafter, to pay late charges and other administrative costs and the principal and interest balances secured by the mortgage, including expenditures for the necessary protection, preservation, and repair of the security property as authorized under the debt instrument or mortgage and interest thereon if provided for in the debt instrument or mortgage, pursuant to the agency's procedure.

"(b) INSUFFICIENT PROCEEDS.—In the event there are no proceeds of sale or the proceeds are insufficient to pay the costs and expenses set forth in subsection (a), the agency head shall pay such costs and expenses as authorized by applicable law.

"(c) SURPLUS MONIES.—

"(1) After making the payments required by subsection (a), the foreclosure trustee shall—

"(A) distribute any surplus to pay liens in the order of priority under Federal law or the law of the State where the security property is located; and

"(B) pay to the person who was the owner of record on the date the notice of foreclosure sale was filed the balance, if any, after any payments made pursuant to paragraph (1).

"(2) If the person to whom such surplus is to be paid cannot be located, or if the surplus available is insufficient to pay all claimants and the claimants cannot agree on the distribution of the surplus, that portion of the sale proceeds may be deposited by the foreclosure trustee with an appropriate official authorized under law to receive funds under such circumstances. If such a procedure for the deposit of disputed funds is not available, and the foreclosure trustee files a bill of interpleader or is sued as a stakeholder to determine entitlement to such funds, the foreclosure trustee's necessary costs in taking or defending such action shall be deducted first from the disputed funds.

"§ 3414. Deficiency judgment

"(a) IN GENERAL.—If after deducting the disbursements described in section 3413, the price at which the security property is sold at a foreclosure sale is insufficient to pay the unpaid balance of the debt secured by the security property, counsel for the United States may commence an action or actions against any or all debtors to recover the deficiency, unless specifically prohibited by the mortgage. The United States is also entitled to recover any amount authorized by section 3011 and costs of the action.

"(b) LIMITATION.—Any action commenced to recover the deficiency shall be brought within 6 years of the last sale of security property.

"(c) CREDITS.—The amount payable by a private mortgage guaranty insurer shall be credited to the account of the debtor prior to the commencement of an action for any deficiency owed by the debtor. Nothing in this subsection shall curtail or limit the subrogation rights of a private mortgage guaranty insurer.".

Strike section 7002 (relating to civil monetary penalty surcharge and telecommunications carrier compliance payments).

Strike section 10404 (page 700, line 23, through page 701, line 19).

Page 1588, lines 3 through 7, amend subsection (c) to read as follows:

(c) NATIONAL TECHNICAL INFORMATION SERVICE.—

(1) PRIVATIZATION.—All functions of the National Technical Information Service are transferred to the Director of the Office of Management and Budget for privatization in accordance with section 17109 before the end of the 18-month period beginning on the date of the enactment of this Act.

(2) TRANSFER TO NATIONAL INSTITUTE FOR SCIENCE AND TECHNOLOGY.—If an appropriate arrangement for the privatization of functions of the National Technical Information Service under paragraph (1) has not been made before the end of the period described in that paragraph, the National Technical Information Service shall be transferred as of the end of such period to the National Institute for Science and Technology established by section 17207.

(3) GOVERNMENT CORPORATION.—If an appropriate arrangement for the privatization of functions of the National Technical Information Service under paragraph (1) has not been made before the end of the period described in that paragraph, the Director of the Office of Management and Budget shall, within 6 months after the end of such period, submit to Congress a proposal for legislation to establish the National Technical Information Service as a wholly owned Government corporation. The proposal should provide for the corporation to perform substantially the same functions that, as of the date of enactment of this Act, are performed by the National Technical Information Service.

(4) FUNDING.—No funds are authorized to be appropriated for the National Technical Information Service or any successor corporation established pursuant to a proposal under paragraph (3).

Subparagraphs (A) through (H) of section 2121(b)(1) of the Social Security Act (as added by section 16001 of the bill) are amended to read as follows:

"(A) fiscal year 1996 is $95,662,990,500;

"(B) fiscal year 1997 is $102,748,012,797;

"(C) fiscal year 1998 is $107,268,354,400;

"(D) fiscal year 1999 is $111,826,877,512;

"(E) fiscal year 2000 is $116,472,575,350;

"(F) fiscal year 2001 is $121,311,325,403;

"(G) fiscal year 2002 is $126,351,055,338; and

"(H) each subsequent fiscal year is the pool amount under this paragraph for the previous fiscal year increased by the lesser of 4.1546 percent or the annual percentage increase in the consumer price index for all urban consumers (U.S. city average) for the 12-month period ending in June before the beginning of that subsequent fiscal year.

Paragraph (3) of section 2121(c) of the Social Security Act (as added by section 16001 of the bill) is amended to read as follows:

"(3) FLOORS AND CEILINGS.—

"(A) FLOORS.—In no case shall the amount of the State outlay allotment under paragraph (2) for a fiscal year be less than the following:

"(i) FLOOR BASED ON PREVIOUS YEAR'S OUTLAY ALLOTMENT.—Subject to clause (ii)—

"(I) FISCAL YEAR 1997.—For fiscal year 1997, 103.5 percent of the amount of the State outlay allotment under this subsection for fiscal year 1996.

"(II) FISCAL YEAR 1998.—For fiscal year 1998, 103 percent of the amount of the State outlay allotment under this subsection for fiscal year 1997.

"(III) FISCAL YEAR 1999.—For fiscal year 1999, 102.5 percent of the amount of the State outlay allotment under this subsection for fiscal year 1998.

"(IV) SUBSEQUENT FISCAL YEARS.—For a fiscal year after 1999, 102 percent of the amount of the State outlay allotment under this subsection for the previous fiscal year.

"(ii) FLOOR BASED ON OUTLAY ALLOTMENT GROWTH RATE IN FIRST YEAR.—Beginning with fiscal year 1998, in the case of a State for which the outlay allotment under this subsection for fiscal year 1997 exceeded its outlay allotment under this subsection for the previous fiscal year by—

"(I) more than 120 percent of the national MediGrant growth percentage for fiscal year 1997, 104 percent of the amount of the State outlay allotment under this subsection for the previous fiscal year; or

"(II) less than 120 percent (but more than 75 percent) of the national MediGrant growth percentage for fiscal year 1997, 103 percent of the amount of the State outlay allotment under this subsection for the previous fiscal year.

"(B) CEILINGS.—

"(i) IN GENERAL.—In no case shall the amount of the State outlay allotment under paragraph (2) for a fiscal year be greater than the product of—

"(I) the State outlay allotment under this subsection for the State for the preceding fiscal year, and

"(II) the factor specified in clause (ii) (or, if applicable, in clause (iii)) for the fiscal year.

"(ii) FACTOR DESCRIBED.—The factor described in this clause for—

"(I) fiscal year 1997 is 1.09, and

"(II) each subsequent fiscal year is 1.0533.

"(iii) SPECIAL RULE.—For a fiscal year after fiscal year 1997, in the case of a State (among the 50 States and the District of Columbia) that is one of the 10 States with the lowest Federal MediGrant spending per resident-in-poverty rates (as determined under

clause (iv)) for the fiscal year, the factor that shall be applied under clause (i)(II) shall be the following:

"(I) For each of fiscal years 1998 and 1999, 1.06.

"(II) For fiscal year 2000, 1.060657.

"(III) For fiscal year 2001, 1.061488.

"(IV) For any subsequent fiscal year, 1.062319.

"(iv) DETERMINATION OF FEDERAL MEDIGRANT SPENDING PER RESIDENT-IN-POVERTY RATE.—For purposes of clause (iii), the 'Federal MediGrant spending per resident-in-poverty rate' for a State for a fiscal year is equal to—

"(I) the State's outlay allotment under this subsection for the previous fiscal year (determined without regard to paragraph (4)), divided by

"(II) the average annual number of residents of the State in poverty (as defined in subsection (d)(2)) with respect to the fiscal year.

Section 2121 of the Social Security Act (as added by section 16001 of the bill) is amended by adding at the end the following:

"(f) SUPPLEMENTAL ALLOTMENT FOR EMERGENCY HEALTH CARE SERVICES TO CERTAIN ALIENS.—

"(1) IN GENERAL.—Notwithstanding the previous provisions of this section, the amount of the State outlay allotment for a fiscal year for each supplemental allotment eligible State shall be increased by the amount of the supplemental outlay allotment provided under paragraph (2) for the State for that year. The amount of such increased allotment may only be used for the purpose of providing medical assistance for care and services for aliens described in paragraph (1) of section 2123(e) and for which the exception described in paragraph (2) of such section applies. Section 2122(f)(3) shall apply to such assistance in the same manner as it applies to medical assistance described in such section.

"(2) SUPPLEMENTAL OUTLAY ALLOTMENT.—

"(A) IN GENERAL.—For purposes of paragraph (1), the amount of the supplemental outlay allotment for a supplemental allotment eligible State for a fiscal year is equal to the supplemental allotment ratio (as defined in subparagraph (C)) multiplied by the supplemental pool amount (specified in subparagraph (D)) for the fiscal year.

"(B) SUPPLEMENTAL ALLOTMENT ELIGIBLE STATE.—In this subsection, the term 'supplemental allotment eligible State' means one of the 12 States with the highest number of undocumented aliens of all the States.

"(C) SUPPLEMENTAL ALLOTMENT RATIO.—In this paragraph, the 'supplemental allotment ratio' for a State is the ratio of—

"(i) the number of undocumented aliens for the State, to

"(ii) the sum of such numbers for all supplemental allotment eligible States.

"(D) SUPPLEMENTAL POOL AMOUNT.—In this paragraph, the 'supplemental pool amount'—

"(i) for each of fiscal years 1996 through 2002, is an amount so that, if the amount were increased for each such fiscal year beginning with fiscal year 1996 by the national MediGrant growth percentage for the year involved, the total of such amounts for all such fiscal years would be $3 billion; and

"(ii) for a subsequent year is the supplemental pool amount for the previous fiscal year increased by the national MediGrant growth percentage for such subsequent year.

"(E) DETERMINATION OF NUMBER.—The number of undocumented aliens in a State under this paragraph shall be determined based on estimates of the resident illegal alien population residing in each State prepared by the Statistics Division of the Immigration and Naturalization Service as of October 1992 (or as of such later date if such date is at least 1 year before the beginning of the fiscal year involved).

"(3) TREATMENT FOR OBLIGATION PURPOSES.—For purposes of computing obligation allotments under subsection (a)—

"(A) the amount of the supplemental pool amount for a fiscal year shall be added to the pool amount under subsection (b) for that fiscal year, and

"(B) the amount supplemental allotment to a State provided under paragraph (1) shall be added to the outlay allotment of the State for that fiscal year.

"(4) SEQUENCE OF OBLIGATIONS.—For purposes of carrying out this title, payments to a supplemental allotment eligible State under section 2122 that are attributable to expenditures for medical assistance described in the second sentence of paragraph (1) shall first be counted toward the supplemental outlay allotment provided under this subsection, rather than toward the outlay allotment otherwise provided under this section.

"(g) SPECIAL ADJUSTMENTS FOR FISCAL YEAR 1996.—Notwithstanding the previous provisions of this section—

"(1) the State outlay allotment for Oregon for fiscal year 1996 is increased by $155,682,700, and

"(2) the State outlay allotment for Tennessee for fiscal year 1996 is increased by $195,468,000.

The increases provided under this subsection shall not apply to or affect the computation of State outlay allotments of any other States and shall not apply for any fiscal year other than fiscal year 1996.

In section 2174 of the Social Security Act (as added by section 16001), insert after paragraph (4) the following new paragraph (and redesignate the succeeding paragraph accordingly):

"(5) Section 1128B(d) (relating to criminal penalties for certain additional charges).

Page 1740, strike line 5 and all that follows thereafter through page 1741, line 8, and insert the following:

"(B) with respect to fiscal year 1996, for the discretionary category: $485,074,000,000 in new budget authority and $531,768,000,000 in outlays;

"(C) with respect to fiscal year 1997, for the discretionary category: $481,423,000,000 in new budget authority and $519,288,000,000 in outlays;

"(D) with respect to fiscal year 1998, for the discretionary category: $489,233,000,000 in new budget authority and $511,173,000,000 in outlays;

"(E) with respect to fiscal year 1999, for the discretionary category: $480,420,000,000 in new budget authority and $508,695,000,000 in outlays;

"(F) with respect to fiscal year 2000, for the discretionary category: $487,347,000,000 in new budget authority and $512,202,000,000 in outlays;

"(G) with respect to fiscal year 2001, for the discretionary category: $494,307,000,000 in new budget authority and $514,109,000,000 in outlays; and

"(H) with respect to fiscal year 2002, for the discretionary category: $496,188,000,000 in new budget authority and $512,426,000,000 in outlays;".

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